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1919





NATIONAL EMPLOYMENT SYSTEM

HEARINGS

BEFORE THE

JOINT COMMITTEES ON LABOR

U. S. CONGRESS, OF THE UNITED STATES

(Senate Committee on Education and Labor)

SIXTY-SIXTH CONGRESS

1063
-7279

FIRST SESSION

ON

S. 688,

A BILL TO PROVIDE FOR A NATIONAL EMPLOYMENT SYSTEM ;

S. 1442,

A BILL TO PROVIDE FOR THE ESTABLISHMENT OF A NATIONAL
EMPLOYMENT SYSTEM AND FOR COOPERATION WITH THE
STATES IN THE PROMOTION OF SUCH SYSTEM, AND
TO REGULATE THE EXPENDITURE OF MONEYS
THAT SHALL BE APPROPRIATED FOR
SUCH PURPOSES ;

H. R. 4305,

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EMPLOYMENT SYSTEM AND FOR COOPERATION WITH THE
STATES IN THE PROMOTION OF SUCH SYSTEM, AND
TO REGULATE THE EXPENDITURE OF MONEYS
THAT SHALL BE APPROPRIATED FOR
SUCH PURPOSES ...

PART 1.

Printed for the use of the Senate Committee on Education and Labor



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1919

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NATIONAL EMPLOYMENT SYSTEM.

THURSDAY, JUNE 19, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Senate Committee on Education and Labor and the House Committee on Labor, met in joint session pursuant to call of the chairman of the Senate Committee on Education and Labor at 10.30 o'clock a. m., in room 201, Senate Office Building, Senator William S. Kenyon, presiding.

Present: Senators Kenyon, McLean, Smith, Wolcott, Walsh, Sterling, Jones, McKellar, and Phipps.

Representatives Smith (Michigan), Maher, Nolan, Zihlman, Hersey, Casey, Carss, Watson, MacCrate, and Gould.

Also present: Hon. William B. Wilson, Secretary of Labor.

The joint committee then proceeded to consider the bill (S. 1442) to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system and to regulate the expenditure of moneys that shall be appropriated for such purposes; also to consider the bill (S. 688) to provide for a national employment system; also to consider the bill (H. R. 4305) to provide for the establishment of a national employment system and for the cooperation with the States and the promotion of such system and to regulate the expenditures of moneys that shall be appropriated for such purposes.

Senator KENYON. I am going to suggest that Chairman Smith, of the House Committee on Labor, preside over these hearings. He will be the chairman of these joint hearings.

The CHAIRMAN. Gentlemen of the committees, through the courtesy of the distinguished Senator who is chairman of the Committee on Education and Labor, I received a letter asking that the Committee on Labor of the House join with the Senate Committee on Education and Labor in the hearing of the bill for the establishment of a Federal Employment Bureau in the Department of Labor. I presented that invitation to the Committee on Labor of the House, and they not only approved of it, but felt that it was a very proper thing to do, inasmuch as a bill has been introduced in the Senate and in the House covering the same question, and it will save a duplication of work. Being a modest man, of course I could not say that it is with much reluctance that I have promised the distinguished Senator that I would act as the chairman of the joint committees during this hearing. In that connection I will say

that I will appoint Mr. Roy H. Rankin as clerk of the joint meetings.

Now, the purpose of this meeting is to establish a Federal Employment Bureau in the Department of Labor, and to enable the committees to report upon the necessities or nonnecessity of such a bureau in that department. As I understand it the bill was drawn at the request of the Secretary of Labor himself, and there has been such a department for some time, or such a bureau, but that the bureau in the Department of Labor has not been operated by authority of law, and now the question is whether or not we shall make it a permanent establishment, or whether it shall shut up shop and go home.

Now, before the witnesses are called, I would like to have the stenographer put a copy of the bill in the hearings, and have it printed for the convenience of the members who are interested, and who will want to read these hearings after they are printed.

Senator KENYON. There has been a bill introduced by Senator Robinson, and I ask that that also be printed in the record.

Mr. NOLAN. And I would ask that another bill that I introduced in the House be also incorporated in the record, so that we may have the full benefit of all of these bills.

The CHAIRMAN. That may be done at this point.

(The three bills referred to are here printed in the record as follows:)

S. 1442.

A BILL To provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system and to regulate the expenditure of moneys that shall be appropriated for such purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to promote the establishment and maintenance of a national system of public employment offices, the United States Employment Service is hereby created a bureau of the Department of Labor. There shall be a director general of such bureau who shall be appointed by the President and shall receive a salary of \$5,000 per year. There shall be appointed by the Secretary of Labor a woman assistant director general, who, subject to the director general, shall have general supervision of all matters relating to the securing of employment for women, who shall receive a salary of \$3,000 per year; and there shall also be appointed such other assistants and employees in the District of Columbia and elsewhere as shall be necessary to carry out the purposes of this act. Other than as above provided, no salary in excess of \$2,000 shall be paid.

SEC. 2. That it shall be the province and duty of the said bureau, under the direction of the Secretary of Labor, to establish and maintain a national system of employment offices for men, women, and juniors; and, in the manner hereinafter provided, to assist in establishing and maintaining systems of employment offices in the several States and political subdivisions thereof, and to coordinate the public employment offices throughout the country by furnishing and publishing information as to labor conditions, by maintaining a system for clearing labor between the several States, by establishing and maintaining uniform standards, policies, and procedure, and by assistance in the transportation of workers to such places as may be deemed necessary for the purpose of securing employment.

SEC. 3. That for the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated the sum of \$4,000,000 for the fiscal year ending June 30, 1920, and for each fiscal year thereafter up to and including the fiscal year ending June 30, 1922; that not less than 75 per centum of the money appropriated under this act shall be allotted by the Secretary of Labor among the several States on the basis of their respective populations, to be available for the purpose of establishing and maintaining systems of public employment offices in the several States in accordance with the provisions of

this act. In case the sum paid over to the treasurer of any State under the provisions of section 4 of this act is less than the amount allotted to such State on the basis of population, the balance of such allotment may be reallocated by the Secretary of Labor for use elsewhere in carrying out the purposes of this act.

SEC. 4. That when any State has made, or hereafter shall have made, an appropriation for the maintenance of a system of public employment offices under State control and is maintaining, or is prepared to maintain, such system in cooperation with the United States Employment Service, there shall be paid to the treasurer of such State, upon certificate to the Secretary of the Treasury by the Secretary of Labor, for the uses of the system of public employment offices in such State, an amount not exceeding the amount allotted for the current year to such State by the Secretary of Labor as hereinbefore provided and equal to the amount appropriated for the year by the State, including appropriations made by local subdivisions thereof for the purpose of maintaining public employment offices as a part of a State-controlled system of public employment offices:

Provided, That the amount so appropriated by the State shall not be less than 25 per centum of the allotment according to population made by the Secretary of Labor for such State for the current year, as provided in section 3 hereof, and shall not be less than the amount so appropriated by such State for public employment offices in the year 1918, and not less than \$5,000: *Provided further*, That such payment to the State treasurer shall be conditional upon the conduct of the State system of public employment offices in accordance with uniform rules and regulations and with the standards of efficiency prescribed by the Director General of the United States Employment Service, with the approval of the Secretary of Labor, under the authority of this act.

That on or before the 30th day of June of each year the Secretary of Labor shall certify to the Secretary of the Treasury the amount to be paid over for the next fiscal year to the treasurer of each State which shall be entitled to receive such payment under the provisions of this section. If any State shall become entitled to receive such funds under the provisions of this act at any time after the 30th day of June in any year the Secretary of Labor shall forthwith certify the facts concerning such State to the Secretary of the Treasury, who shall thereupon pay over to the treasurer of such State the pro rata amount to which such State shall be entitled for the balance of the fiscal year under the provisions of this section.

That it shall be the duty of the Secretary of Labor to ascertain whether the system of public employment offices maintained in each State under the provisions of this section is conducted in accordance with the rules and regulations and the standards of efficiency prescribed by the Director General in accordance with the provisions of this act, unless money shall be paid over to the treasurer of any State under the provisions of this act, unless it shall appear by the certificate of the Secretary of Labor that the system of public employment offices in such State is being conducted in conformity with such rules and regulations and standards of efficiency.

Sums so paid to the treasurer of any State shall be employed in accordance with the provisions of this act to supplement the sums appropriated within the State for the system of public employment offices and shall be accounted for to the Secretary of the Treasury in such manner as he may prescribe, and any amount thereof not so expended during any fiscal year shall be restored to the Treasury of the United States.

SEC. 5. That during the current fiscal year and the two ensuing fiscal years the Secretary of Labor shall have authority to expend in any State so much of the sum apportioned to such State on the basis of its population and so much of the unapportioned balance of the appropriation made under the provisions of this act as he may deem necessary, as follows:

(a) In States where there is no State system of public employment offices in maintaining and establishing a system of public employment offices under the control of the Director General of the United States Employment Service.

(b) In States where there is a State system of public employment offices, but where the State treasurer is not entitled or authorized to receive and use for the purposes of such system any portions of the moneys appropriated under the provisions of this act, as provided in section 4 hereof, in establishing and maintaining a cooperative Federal and State system of public employment offices to be maintained by such officer or board and in such manner as may be agreed upon by and between the governor of the State and the Secretary of

Labor: *Provided*, That pending the conclusion of such agreement and for not more than six months the Secretary of Labor may maintain in any such State a system of public employment offices under the control of the Director General of the United States Employment Service.

SEC. 6. That out of the appropriations made under this act the Secretary of Labor is authorized to employ such assistants, clerks, and other persons in the District of Columbia and elsewhere, to rent buildings in the District of Columbia and elsewhere, to purchase supplies, material, equipment, office fixtures, and apparatus, and to incur such travel and other expenses as he may deem necessary to carry out the provisions of this act.

SEC. 7. That all appropriations and unexpended balances of appropriations made to enable the Secretary of Labor to conduct a war emergency employment service and to advance to wage earners transportation to such places as may be deemed necessary for the purpose of securing employment in connection with the prosecution of the war are hereby extended and made available for the Secretary of Labor for the purpose of carrying out the provisions of this act.

SEC. 8. That the director general, with the approval of the Secretary of Labor, is hereby authorized to make rules and regulations for carrying out the provisions of this act, and also is required to file with Congress each year a detailed statement of all expenditures, including salaries, traveling expenses, and so forth.

SEC. 9. That the Postmaster General is hereby authorized and directed to extend to the United States Employment Service and to the system of employment offices operated by it in conformity with the provisions of this act, and to all State employment systems which receive funds appropriated by or under this act and to all cooperative Federal and State employment systems operated under agreements made as provided in this act, the use of the post office and postal facilities, including the franking privilege.

SEC. 10. That this act shall take effect immediately.

S. 688.

A BILL To provide for a national employment system.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Employment Service shall be continued as a permanent bureau in the Department of Labor, to promote the establishment and maintenance of public employment offices for men, women, and juniors. It shall be managed by a director general who shall be appointed by the President, by and with the consent of the Senate, and to assist in working out standards and policies for the operation of the employment system of the Nation, an advisory board may also be appointed by the President. A woman assistant director general shall be appointed by the Secretary of Labor to have general supervision of all matters relating to the employment of women, and there shall be such other assistants and employees in the District of Columbia and elsewhere as shall be necessary to carry out the purposes of this act.

SEC. 2. That it shall be the province and duty of the said bureau, under the direction of the Secretary of Labor, to establish and maintain a system of employment offices in the States which do not maintain an employment service, and, in the States which do maintain such a service, to aid as hereinafter provided, in the development thereof, and in addition, to coordinate the public employment offices throughout the country by furnishing information as to labor conditions, by maintaining a system for clearing labor between the several States and by establishing and maintaining a uniform policy and procedure.

SEC. 3. That for the use of the service there shall be appropriated annually a sum of money from which a specified amount may be used by the Secretary of Labor for maintaining the offices and staff of the director general, offices for clearing labor between the States and for inspection forces; of the balance of the appropriation, so much as shall be necessary shall in the discretion of the Secretary of Labor be allotted among the States on the basis of their respective populations, the unexpended balance remaining after such allotment has been made to be expended in the discretion of the Secretary of Labor as shall be required where necessary to supplement the service maintained in the several States.

SEC. 4. That when any State has made, or shall hereafter make, an appropriation for the maintenance of a public employment service under State control and which is maintaining or is prepared to maintain such an employment service in cooperation with the Federal Government there shall be paid to the treasurer of such State upon certificate by the Secretary of Labor for the benefit of the State employment system an amount not exceeding the allotment for the State and equal to the amount which is appropriated by the State and its local subdivisions for such purpose: *Provided*, That the amount so appropriated shall not be less than 25 per centum of the allotment on the basis of population made to such State, nor less than the amount expended by such State for public employment offices in the year 1918, such payment to be conditional upon the conduct of the State employment system in accordance with uniform rules and regulations and with the standards of efficiency prescribed by the director general with the approval of the Secretary of Labor.

SEC. 5. That during a period of two years the Secretary of Labor shall have authority to spend so much of the sum apportioned to the States as he may deem necessary in the respective States, as follows:

(a) In States where there is no State employment service in establishing and maintaining a system of public employment offices.

(b) In States where there is a State system of public employment offices, but which are not entitled to receive Federal funds under the provisions of paragraph 4, in maintaining a cooperative State and Federal system of public employment offices which shall be maintained by such officer or board and in such manner as may be agreed by and between the governor of the State and the Secretary of Labor.

SEC. 6. That provision shall be made providing for the extension to the system of employment offices operated in conformity with the provisions of this bill and under the rules and regulations of the United States Employment Service the use of post office and postal facilities, including the franking privilege.

H. R. 4305.

A BILL To provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system and to regulate the expenditure of moneys that shall be appropriated for such purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to promote the establishment and maintenance of a national system of public employment offices the United States Employment Service is hereby created a bureau of the Department of Labor. There shall be a Director General of such bureau who shall be appointed by the President. There shall be appointed by the Secretary of Labor a woman assistant director general who, subject to the Director General, shall have general supervision of all matters relating to the securing of employment for women, and there shall also be appointed such other assistants and employees in the District of Columbia, and elsewhere as shall be necessary to carry out the purposes of this act.

SEC. 2. That it shall be the province and duty of the said bureau, under the direction of the Secretary of Labor, to establish and maintain a national system of employment offices for men, women, and juniors who are legally qualified to engage in gainful occupations; and, in the manner hereinafter provided, to assist in establishing and maintaining systems of employment offices in the several States and political subdivisions thereof, and to coordinate the public employment offices throughout the country by furnishing and publishing information as to opportunities for employment, by maintaining a system for clearing labor between the several States, by establishing and maintaining uniform standards, policies, and procedure, and by assisting in the transportation of workers to such places as may be deemed necessary for the purpose of securing employment.

SEC. 3. That for the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated the sum of \$4,000,000 for the fiscal year ending June 30, 1920, and for each fiscal year thereafter up to and including the fiscal year ending June 30, 1922; that not less than 75 per centum of the money appropriated under this act shall be allotted by the Secretary of Labor among the several States on the basis of their respective populations, to be available for the purpose of establishing and maintaining systems of public employment offices in the several States in accordance with the pro-

visions of this act. In case the sum paid over to the treasurer of any State under the provisions of section 4 of this act is less than the amount allotted to such State on the basis of population, the balance of such allotment may be reallocated by the Secretary of Labor for use elsewhere in carrying out the purposes of this act.

SEC. 4. That when any State has made or hereafter shall have made an appropriation for the maintenance of a system of public employment offices under State control, and is maintaining or is prepared to maintain such system in cooperation with the United States Employment Service, there shall be paid to the treasurer of such State, upon certificate to the Secretary of the Treasury by the the Secretary of Labor, for the use of the system of public employment offices in such State an amount not exceeding the amount allotted for the current year to such State by the Secretary of Labor as hereinbefore provided, and equal to the amount appropriated for the year by the State, including appropriations made by local subdivisions thereof for the purpose of maintaining public employment offices as a part of a State-controlled system of public employment offices: *Provided*, That the amount so appropriated by the State shall not be less than 25 per centum of the allotment according to population, made by the Secretary of Labor for such State for the current year as provided in section 3 hereof, and shall not be less than the amount so appropriated by such State for public employment offices in the year 1918, and not less than \$5,000: *Provided further*, That such payment to the State treasurer shall be conditional upon the conduct of the State system of public employment offices in accordance with uniform rules and regulations and with the standards of efficiency prescribed by the Director General of the United States Employment Service, with the approval of the Secretary of Labor, under the authority of this act.

That on or before the 30th day of June of each year the Secretary of Labor shall certify to the Secretary of the Treasury the amount to be paid over for the next fiscal year to the treasurer of each State which shall be entitled to receive such payment under the provisions of this section. If any State shall become entitled to receive such funds under the provisions of this act at any time after the 30th day of June in any year, the Secretary of Labor shall forthwith certify the facts concerning such State to the Secretary of the Treasury, who shall thereupon pay over to the treasurer of such State the pro rata amount to which such State shall be entitled for the balance of the fiscal year under the provisions of this section.

That it shall be the duty of the Secretary of Labor to ascertain whether the system of public employment offices maintained in each State under the provisions of this section is conducted in accordance with the rules and regulations and the standards of efficiency prescribed by the director general in accordance with the provisions of this act, and no money shall be paid over to the treasurer of any State under the provisions of this act unless it shall appear by the certificate of the Secretary of Labor that the system of public employment offices in such State is being conducted in conformity with such rules and regulations and standards of efficiency.

Sums so paid to the treasurer of any State shall be employed in accordance with the provisions of this act to supplement the sums appropriated within the State for the State system of public employment offices and shall be accounted for to the Secretary of the Treasury in such manner as he may prescribe, and any amount thereof not so expended during any fiscal year shall be restored to the Treasury of the United States.

SEC. 5. That during the current fiscal year and the two ensuing fiscal years the Secretary of Labor shall have authority to expend in any State so much of the sums apportioned to such States on the basis of its population and so much of the unapportioned balance of the appropriation made under the provisions of this act as he may deem necessary, as follows:

(a) In States where there is no State system of public employment offices in maintaining and establishing a system of public employment offices under the control of the Director General of the United States Employment Service.

(b) In States where there is a State system of public employment offices, but where the State treasurer is not entitled or authorized to receive and use for the purposes of such system any portions of the moneys appropriated under the provisions of this act, as provided in section 4 hereof, in establishing and maintaining a cooperative Federal and State system of public employment offices, to be maintained by such officer or board and in such manner as may be agreed by and between the governor of the State and the Secretary of

Labor: *Provided*, That pending the conclusion of such agreement and for not more than six months the Secretary of Labor may maintain in any such State a system of public employment offices under the control of the Director General of the United States Employment Service.

SEC. 6. That out of the appropriations made under this act the Secretary of Labor is authorized to employ such assistants, clerks, and other persons in the District of Columbia and elsewhere, to rent buildings in the District of Columbia and elsewhere, to purchase supplies, material, equipment, office fixtures, and apparatus, and to incur such travel and other expense as he may deem necessary to carry out the provisions of this act.

SEC. 7. That all appropriations and unexpended balances of appropriations made to enable the Secretary of Labor to conduct a war emergency employment service and to advance to wage earners transportation to such places as may be deemed necessary for the purpose of securing employment in connection with the prosecution of the war are hereby extended and made available for the Secretary of Labor for the purpose of carrying out the provisions of this act.

SEC. 8. That the Director General, with the approval of the Secretary of Labor, is hereby authorized to make rules and regulations for carrying out the provisions of this act.

SEC. 9. That the Postmaster General is hereby authorized and directed to extend to the United States Employment Service and to the system of employment offices operated by it in conformity with the provisions of this act, and to all State employment systems which receive funds appropriated by or under this act and to all cooperative Federal and State employment systems operated under agreements made as provided in this act, the use of the post office and postal facilities, including the franking privilege.

SEC. 10. That this act shall take effect immediately.

The CHAIRMAN. I would like to have printed that part of the President's message that he delivered to Congress at this session on or about the 19th day of May, relating to the establishment of this bureau in the Department of Labor, and I have marked it with a blue pencil and will pass it down to the stenographer. When a witness is called it will give him a little further explanation of what you may wish to establish here, and I would like to read a passage from a letter that I received this morning, and which I indorse myself and which I think ought to be the guide for the proof and hearings and the result to be obtained by this bill. I will read this:

It is obvious that to succeed, a national employment service must have the full cooperation of employers and employees. To justify such cooperation the needs of both must be served impartially. This means the administration of the affairs of the service on a sound basis and in harmony with public welfare.

I quote that from a letter received this morning, and I would like to say that I indorse that statement personally, and if the members feel the same way I would like to have that incorporated in the record for the purpose of consideration.

That part of the President's message that I referred to may here be printed in the record.

(The portion of the message referred to is here printed in the record as follows:)

I am sure that it is not necessary for me to remind you that there is one immediate and very practical question of labor that we should meet in the most liberal spirit. We must see to it that our returning soldiers are assisted in every practicable way to find the places for which they are fitted in the daily work of the country. This can be done by developing and maintaining upon an adequate scale the admirable organization created by the Department of Labor for placing men seeking work; and it can also be done, in at least one very great field, by creating new opportunities for individual enterprise.

The CHAIRMAN. Gentlemen of the committee, we have with us the Secretary of Labor, the head of the department where this bureau has been operated for some time. Mr. Secretary, I would be pleased now if you would make to the committee such a statement as you desire in relation to these bills, and also give us the reasons for the necessity for the bureau.

STATEMENT OF HON. WILLIAM B. WILSON, SECRETARY OF LABOR.

Secretary WILSON. Mr. Chairman and gentlemen of the committee, if your committee will permit me, I would like to make a brief statement relative to the activities of the Employment Service, and in order to clarify the atmosphere, if I possibly can, concerning some criticisms that have been made of the service.

There seems to have been a systematic and persistent campaign of misrepresentation along a line very adverse to the existing Employment Service, or the continuation of an employment service under the direction of the present executive of the Department of Labor.

The allegation is made and reiterated that the Department of Labor is solely a union labor department and that the Employment Service had been conducted and is being conducted absolutely in the interest of the trades unions of the country, and an incident that occurred something more than a year ago is used as a positive demonstration of the accuracy of the allegation.

At that time we were endeavoring to secure skilled workmen and common laborers for the shipbuilding operations in Seattle as well as on the Atlantic coast and the Gulf coast. To secure the labor it was necessary for us to go into the interior of the country, to the establishments that were engaged in what was considered nonessential occupations, so far as the prosecution of the war was concerned, to secure the labor from those places and induce it to go to Seattle and the other shipbuilding centers. In securing the labor for the Seattle operations we announced to those who were prospective workmen that there were no need of their going to Seattle unless they were trades-unionists or were willing to join a union. We did that then, we are doing it now, and, so far as we are sending labor there, we expect to continue to do it as long as conditions existing at Seattle continue to exist.

The employers and employees at Seattle have what is known as a closed-shop agreement. We were not parties to the making of that agreement; we had nothing to do with the contract entered into between the employers and the employees in the Seattle shipbuilding industry; but that agreement existed and it would have been a crime against the nonunion men of the Middle West, some of whom were opposed to trades-unionism on principle, some of whom had religious scruples against joining trades-unions, if we had sent them to Seattle to secure employment, only to find when they reached Seattle that it was impossible for them to secure employment because they were not trades-unionists or willing to join the trades-unions; and that incident has been used as positive evidence of the attitude of the Department of Labor on the question of trades-unionism.

No reference is made to the fact that at the very same time we were furnishing tens of thousands of workers for the shipyards of

Seattle; that we were furnishing hundreds of thousands of workers for the shipyards on the Atlantic coast and on the Gulf coast, where the question of whether they were trades-unionists or nonunionists was not asked, because the employers themselves were operating what they called an open shop.

The policy of the department from its inception has been to promote the welfare of all labor, without doing so at the expense of any other portion of the community.

May I read into the record a statement on that phase of the subject contained in my first annual report, which outlines the policy which the department has pursued from its inception until the present time? It is headed "Welfare of wage earners":

The Department of Labor was created in the interest of the wage earners of the United States. This is expressly declared by the organic act. "The purpose of the Department of Labor," as that act reads in its first section, "shall be to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment."

There is of course no authority in that declaration to foster, promote, or develop for wage earners any special privileges; but the inference is irresistible that Congress did intend to conserve their just interests by means of an executive department especially devoted to their welfare.

Nor is there any implication that the wage earners in whose behalf this department was created consist of such only as are associated together in labor unions. It was created in the interest of the welfare of all the wage earners of the United States, whether organized or unorganized. Inasmuch, however, as it is ordinarily only through organization that the many in any class or of any interest can become articulate with reference to their common needs and aspirations, the Department of Labor is usually under a necessity of turning to the labor organizations that exist and such as may come into existence for definite and trustworthy advice on the sentiments of the wage-earning classes regarding their common welfare. Freely as conferences with unorganized wage earners are welcome, official intercourse with individuals as such has practical limits which organization alone can remove. Manifestly, then, the Department of Labor must invite the confidence and encourage the cooperation of responsible labor organizations and their accredited officers and committees if it is to subserve its prescribed purpose through an intelligent and effective administration of its authorized functions.

While the Department of Labor sustains friendly relations with labor organizations, as in the interest of all wage earners and of the general welfare it ought to do, nevertheless this attitude must not be exclusive. Similar relations with unorganized wage earners, and also with employers and their organizations to the extent to which they themselves permit, are likewise a duty of the department. The great guiding purpose, however—the purpose that should govern the department at every turn and be understood and acquiesced in by everybody—is the purpose prescribed in terms by the organic act, namely, promotion of the welfare of the wage earners of the United States.

In the execution of that purpose the element of fairness to every interest is of equal importance; and the department has in fact made fairness between wage earner and wage earner, between wage earner and employer, between employer and employer, and between each and the public as a whole the supreme motive and purpose of its activities. The act of its creation is construed by it not only as a law for promoting the welfare of the wage earners of the United States by improving their working conditions and advancing their opportunities for profitable employment, but as a command for doing so in harmony with the welfare of all industrial classes and all legitimate interests, and by methods tending to foster industrial peace through progressively nearer realizations of the highest ideals of industrial justice.

The CHAIRMAN. What is the date of that report, Mr. Secretary?

Secretary WILSON. That is the report of the Secretary of Labor for 1913, the first annual report of the department.

Now, Mr. Chairman, where union men have been asked for by employers, we have endeavored to find the union workers; where

nonunion men have been asked for by the employers, we have endeavored to find the nonunion workers. Where no question has been asked as to whether union men or nonunion men are desired, we have simply endeavored to send men with the kind of skill required, and in that connection I may say that we have not looked upon the placement of large numbers of workers as being the sole indication of the efficiency in our organization. We have felt that the placement of workers in positions they are qualified to fill, and consequently likely to remain in, to the mutual advantage of themselves and employers, is of equal importance with that of placing the workmen themselves.

Now, one of the other criticisms that has been made, but was not persisted in continuously to the same extent, has been that of a lack of efficiency on the part of our organization.

The CHAIRMAN. Before you come to that point upon the subject about which you have just been speaking, has any complaint come to you or the department about the different bureaus established under the department asking persons coming for employment whether or not they belonged to unions?

Secretary WILSON. We have had two or three complaints that certain of the employees of the department have refused to place people who are not union workers. We have had two or three complaints to the effect that, discrimination was being exercised by some particular employees in favor of trades-unionists. Wherever complaints of that kind have been made, they have been investigated, and if we found that there was any basis for the complaint whatever, the persons charged with having discriminated in favor of trades-unionists as against nonunion men have been reprimanded and definitely instructed that the policy must be discontinued. That, of course, does not apply to where a special request has been made for union workmen, or where a special request has been made for nonunion workmen and nonunion workmen have been presented.

I might, in that connection, say also that we have had one or two complaints to the effect that our personnel have been using their official positions to promote trades-unionism. We have taken the same course in that direction. It has been the policy of the department from the beginning that whatever our personal inclinations may be, whatever our personal desires may be, with regard to trades-unionsim or nonunionism, that it is not a function of the Government to promote the theory of trades-unions; it is not the function of the Government to promote the building of corporations, but it would be folly to assume, because it is not the function of the Government to promote the building of trades-unions or the function of the Government to promote the building of corporations, that, therefore, in regard to trades-unions and corporations, it is not the function of the Government to deal with either of them.

Our attitude has been, that the members of corporations are citizens or residents of the United States, and the members of the trades-unions are citizens or residents of the United States, and nonunionists are citizens of the United States; and while they may have prejudices among themselves in dealing with each other, that, as a governmental agency, we can have no prejudices against dealing with either the corporations or the trades-unionists or with non-unionists.

Now, I will proceed to mention the fact that one of the criticisms which has been presented, not to the same extent as the criticism relative to union activities, has been a lack of efficiency on the part of our Employment Service.

There is no question whatever but the Employment Service, as now constituted and now operated, has made mistakes. It had to do some experimenting and had to withdraw from some of the experiments, all of which was lost motion, all of which might be called inefficient. For instance, when we first started out to build the organization, the organization as we now have it to meet the war emergency, we conceived the idea that it would be well to organize it in districts along the same lines as the Federal reserve act, and we organized it into 13 districts in the United States. We found after we had organized it into 13 districts, however, that we could not secure the heartiest cooperation of the different political bureaus of our Government when organized along that way, and we had to change from that form of regional organization into a form of State organization, so that our districts were coextensive with the different State lines; and by making that change, we were able to secure heartier cooperation on the part of the State governments, or those portions of the State governments dealing with the subject matter, than we were able to secure when we were built upon regional lines.

I simply cite that to show that, as a matter of course, where we were experimenting, there were some things that we would have to withdraw from after we had determined that they were not the valuable lines of action; but as to inefficiency under all the circumstances, I think it would take a very great stretch of the imagination to cause any man to believe that an organization in existence for very little more than a year that could examine, as we examined, 5,636,000 applicants for jobs, and be assured of the actual placement of 4,320,000 of those, was not such a very inefficient organization after all, doing that at the same time that we were laboring under the stress of construction; and that is the record of the Employment Service from the 1st day of January, 1918, until the 1st day of May of this year.

We have the record of having referred these 5,636,000 to places where employers required help; we have the record of returning cards from either the employer or the workman himself of 4,320,000. Of the other 1,316,000 that were referred to places, all we can say in connection with them is, that we brought the employer and the employee together, and there was an opportunity of their joining their needs; but we have no record as to whether they actually did join their needs or not.

Now, so much for the question of—

Mr. MACCRATE (interrupting). Mr. Secretary, before you go further, won't you kindly explain your system by which you bring the supply of labor into contact with the demand for labor?

Secretary WILSON. This system that we have utilized has been the establishment, approximately, of some 800 offices throughout the country, the cooperation with the State and municipal offices in existence, and creating thereby a center of information, a clearing house of information in each community where those who are in need of workmen and those who are in need of work may make

their common needs known. When an employer files with us a request for, say, a machinist, in our local office, if we have on our list a man who claims to be a machinist, we have our local examiner, skilled in the work of a machinist, make a preliminary examination of the man who claims to be a machinist, to find out whether he actually has any knowledge of the trade or not. Having found out that he has a knowledge of the trade, we refer the machinist to the employer who wants a machinist, and at the same time furnish the prospective employer and the prospective workman with cards by which they are to notify us in the event of their coming to a mutual understanding with regard to employment. It is the return of those cards, 4,320,000 of them, that I have referred to as giving us a definite record of the number employed. If we have no one in that community who is on our record as a machinist, and can find no one in that community who is competent to do the work, that is immediately cleared to our State organization, where all of the surplus of requests for employment and all of the surplus of the requests for employees are filed, and a general State clearing house is thereby provided.

Senator McLEAN. Do the names of the men who may be out of employment come to your records? What process of advertising have you in these localities throughout the country by which men out of employment come into contact with your agency?

Secretary WILSON. The only method we have had thus far has been volunteer advertising that has been carried on by very large numbers of business institutions in connection with their own advertisements and without expense to us. In other words, there have been large numbers of business enterprises, business concerns, that have advertised the United States Employment Service in conjunction with their own advertising, just as they did in regard to the Liberty loans and other advertising for other war purposes. They have thus included advertisements of our service, and by that process our service has become fairly well advertised throughout the country.

Mr. MACCRATE. You say that there have been 5,000,000 applications made through this department. Have you any way of determining how many the State and the municipal bureaus have furnished?

Secretary WILSON. I have not any definite information on that, but I may say that I do not want to claim the credit for the Employment Service of the Department of Labor for having brought prospective employees, to the extent of 5,800,000, into contact with the employers. I do not want to claim the exclusive credit to the Federal Employment Service for that. What we did do, was to coordinate the activities of the various State and municipal employment agencies and secure the assistance of the numerous welfare associations throughout the country and coordinate their activities and form them into a nation-wide service.

Mr. MACCRATE. Can you arrive at the proportion that your department or this bureau has furnished; can you give us the figures so that we can see what the national bureau has done itself, separate and apart from those local and State bureaus, and what could not have been done except for the national bureau?

Secretary WILSON. I do not think that is susceptible of demonstration, because the conditions are not such as to permit you to make the

proper segregation. It would be unfair to the State organizations and to the municipal organizations to go back to the time when we had no connection with them and take their figures at that time and compare them with the figures now and then give us credit for the difference between what they placed then and what we are placing now. That would be unfair to the State and municipal organizations.

Senator SMITH of Georgia. Won't you put into the record now the number of registrations, help wanted, referred, and placed? I think that you have given the House that table.

Secretary WILSON. Yes; I will have those tables put in the record here.

(The tables above referred to are here printed in full, as follows:)

Total activities by months.

Month.	Registra- tions.	Help wanted.	Referred.	Placed.
1918.				
January.....	82,253	89,002	62,642	51,183
February.....	92,452	92,594	70,369	58,844
March.....	144,156	177,831	118,079	100,446
April.....	195,578	320,328	171,306	149,415
May.....	206,181	328,587	179,821	156,284
June.....	246,564	394,395	221,946	192,798
July.....	282,294	494,033	250,152	217,291
August.....	555,505	1,227,705	500,510	395,530
September.....	531,226	1,476,282	513,662	362,696
October.....	594,737	1,588,975	606,672	455,391
November.....	744,712	1,724,943	748,934	558,469
December.....	549,593	1,024,380	525,486	392,934
1919.				
January.....	587,306	730,881	514,436	372,186
February.....	496,299	487,475	406,824	299,118
March.....	513,534	534,522	437,768	326,031
April.....	362,977	386,218	308,303	231,569
Sixteen months.....	6,185,367	11,068,101	5,636,910	4,320,723

Senator SMITH. Is that shown on page 261 of the House record of the hearings before the subcommittee of House Committee on Appropriations?

Secretary WILSON. Yes, sir.

Senator SMITH. And it shows registrations of 6,185,367? Help wanted, 11,068,101; referred, 5,636,910; placed, 4,320,725. Now, what proportion of those placed, do you think would not have been placed but for the work of your bureau?

Secretary WILSON. If there had not been any coordination of the activities of the various State and municipal bodies, and the various welfare organizations, but a very, very small percentage of this number could possibly have been placed. I am not in a position to make even an approximate estimate, but here was the situation: We were mobilizing for war purposes our industrial activities. We were taking people from the interior towns into the munitions manufacturing centers and the shipbuilding manufacturing points. It was necessary, in order that there might be prompt mobilization, that there should be a knowledge of where workmen were needed, and the kind of workmen that were needed, and, at the same time, a knowledge of where workmen of those types were to be had. Local employment agencies might know where the workmen were to be had

in their particular communities; local employment agencies might know where workmen were needed in their agencies; but unless there had been a nation-wide organization, there would have been no means of bringing the two into contact with each other; and so, we would have had a surplus in one community of labor and a shortage of labor in another community without any agency for bringing them together, except in so far as private agencies step into the field. Private agencies have been existing for a generation or more. That in itself has been a demonstration for a service of this kind.

Private agencies have been furnishing workmen, but have furnished them only within a limited sphere; but the energy of that institution has of necessity been limited, and it has two or three features that tend to abuse. I do not mean to allege that all employment offices, private employment managers, or private employment offices, are conducted dishonestly, or that they are operated from an immoral basis, but there is a tendency toward dishonesty in connection with the very nature of the business itself. The profits of the business are dependent, as with all other businesses, to a considerable extent, upon the amount of business that is done. That means the number of workers that find places; but there has not been lacking evidence of the fact that some private agencies have entered into collusion with those in large concerns who have the power to hire and "fire," by which men were furnished to be hired with the expectation and understanding that they were to be "fired," so that other men could be substituted in their places.

There is that tendency that has been demonstrated in the private employment services. It has not been permitted in those that are run upon an honest business basis. People in private employment service have had generally the same ethical standing that others have, but there is that inducement, that tendency.

Then there is this further: In nearly every other line of industry the business comes from all elements of a community, those that are well-to-do, the extra well-to-do, those in moderate circumstances, and those who are poor. In the private employment service, the revenues come from the people who are out of employment and who are less able to pay for the service; and that in itself seems to be a very great reason why there should be a public employment office, or public employment offices; and that those public employment offices should be of the nature where the local interests were taken care of by the local organization of the township or municipality, or the State organization taking care of the interest within the State, and then the great general clearing house, and, at the same time, policy-developing organization of the Federal Government.

Senator SMITH. Then, do you think that it is safe for us to conclude that of this 4,320,000 and odd, men and women, who were placed, a substantial majority of them would not have been successfully placed but for the work of your agency?

Secretary WILSON. I think that is true. I think that the establishment of our agencies created a condition that enabled the local people to come in contact with the opportunity for employment or opportunity for workmen, that would increase the number placed by more than one-half of the total.

Mr. MACCRATE. In the placing of the men during the war and the placing of the men after the war, there was this difference, was

there not, that during the war there was a mass placing, that is, where you would place a thousand men and over with a munition plant or a shipyard plant.

Secretary WILSON. Well, we did not do a great deal of mass placement during the period of the war because while there were demands for tens of thousands, and in one instance for hundreds of thousands—that is, in the shipbuilding—while there were demands for large numbers of workers that were not located in mass, they had to come from different localities and we had to take into consideration what the needs of those localities were, in addition to our ability to find the workmen; and so it was necessary for us, when a demand came for a large number of workers for any given operation, to pro rate that amongst the different States, otherwise we might be draining some particular locality of its workmen, while some other locality was not provided with its share; and our policy through the war was to pro rate that amongst the various States, to bring the workers from the nonessential industries within those States; but we have just a reversal of the process now, as compared with our process during the period of the war. Then our process was to find men for the jobs; now our process is to find jobs for the men; and we can not create the jobs. We have no power to create the jobs. What we can do is to create a clearing house, and give the information by which those in need of workmen and the workmen in need of jobs may find each other.

Mr. NOLAN. Now, you have answered the question of the Senator in regard to the case of the machinist, and most of your statement has been confined to munitions and shipbuilding activities during the war. Can you give us some idea of what you do for the migratory labor—that is, the agricultural labor to attend to the harvesting in the different sections of the country?

Secretary WILSON. In doing that it will be necessary for me to go somewhat into the history of the development of the Employment Service of the country. When the immigration law was passed, the date of which I can not furnish at the moment, there was included in the law a provision creating a division of information. The duties of the division of information were to find and publish opportunities for immigrants; and some wise statesman, with a penchant for generalities, included the words "and others," so that the division of information was authorized to gather and publish information concerning opportunities for "immigrants and others."

Under the Department of Commerce that division was handled by means of a small office here in Washington, and by means of a large office in New York City that kept in contact with the immigrants coming into the United States, and endeavored to locate them in finding operations where they could bring the immigrant and the farmer together. Immediately after the creation of the Department of Labor, my attention was called, through the various State labor departments, to the great need of farm help in harvesting wheat in Kansas, Oklahoma, some parts of Texas, Iowa, Nebraska, Minnesota, the Dakotas, and part of Montana, and requests were made for 130,000 men to harvest the crops. We immediately conceived the idea of including this in the activities in the division of information service with the others that were mentioned in the law itself, and we proceeded to find the workers to harvest the wheat crop.

We sent in the year 1914, I think, 110,000 laborers into the wheat belt in a very haphazard way. They went in "on the rods," and when the harvesting and thrashing was over they came back in practically the same way.

Senator WOLCOTT. You say "on the rods." What do you mean by that?

Secretary WILSON. They went in on the freight trains—"on the rods." They came back out to our great cities without any place of employment to come to. I felt that our methods were wrong, and that something ought to be done to change the methods. Agriculture itself had changed its nature; instead of each farmhouse being a little manufacturing establishment, as it had been in the ages gone by, it had changed, and the things that it had produced in the olden times were produced in the factories and farm work was becoming more and more a seasonal occupation, and at that time I recalled an experience I had had a great many years ago.

I went during the summer of 1885 into the iron-ore mines in the Mohawk Valley in the State of New York. At that time the Mohawk Valley was the center of hop production in the United States. When the hop harvest came, I was surprised to find that all the establishments—the industrial establishments—in the Mohawk Valley closed down; that nearly all the plants had made their arrangements in advance for their annual repairs and replacements at that particular period, and only a sufficient number of workers were retained to carry out the repairs and the replacements; all the rest of the population—men, women, and children—went out into the hop fields and made a holiday out of the harvesting of hops.

I felt that the same principle could be applied to the great bulk of our wheat crops, with the possible exception of the Dakotas; and we have been endeavoring to induce the urban residents in the wheat belt, employers and employees, to realize the advantage that it would be to their own communities and the advantage it would be to the Nation as a whole if they would make similar arrangements with regard to their own great plants. We have not succeeded entirely in putting it into effect, but there is this significant change that has already taken place: Taking the State of Kansas as an illustration, in 1914 we furnished 40,000 workers from outside of the State to assist in the wheat harvesting of Kansas. Last year the people of Kansas took care of their own wheat crop, with the exception of the assistance of approximately 5,000 workers from outside of the State. In addition to that, in cooperation with the State departments of our employment service, we have more thoroughly systematized the work, and we now begin in Kansas and Oklahoma and follow the wheat harvest to the Canadian line in a systematic way. Last year, notwithstanding the large numbers of men that were sent into the military service and the large number of men and women that were called into the manufacture of munitions and military supplies, there was not an acre of the wheat crop that was lost; and that was by virtue of the systematizing of the work not only within the State lines but across the State lines.

Senator McLEAN. Now, to refer to the question of competition by the private employment agencies: Is it your opinion that the Federal and State agencies will ultimately drive the private agencies out of business or will there always be room for both?

Secretary WILSON. There will be room for both for some time. I think ultimately that the public service would reduce the amount of business that would be available to such an extent that it would not be profitable for the private institutions to continue in business. No matter how splendid may be the organizing ability of those that we secure for organizing the work, there will be room for private agencies for a considerable length of time to come.

The CHAIRMAN. Have you any information relative to the charges made by the private employment bureaus?

Secretary WILSON. We have made no study of that, because we have not any definite knowledge of it. The fees range from, well, in some few instances 50 cents, in a larger number of instances a dollar, and from that up to a percentage of the earnings for the first year. You take professional workers, those engaged in teaching and some other lines of pursuits, and mechanical engineering and work of that character, and they are usually placed upon a percentage basis that run, as I recall it, from 5 per cent of the first year's earnings.

The CHAIRMAN. Is there any charge made by the Federal Employment Bureau?

Secretary WILSON. No.

The CHAIRMAN. Have there been any funds or means provided for assisting the workman to go to a place where he has found employment?

Secretary WILSON. Well, Congress placed at our disposition a year ago, at our request, a rotary fund of \$250,000, and that fund was to be used, if required, for the purpose of assisting those who were needed in certain lines of work to reach the places where the work was, with an agreement that they would pay it back out of the earnings.

The CHAIRMAN. Have you in your office any statistics showing the number—and I presume there are State agencies, are there not—the number appointed by the different State employment bureaus, by such?

Secretary WILSON. I did not quite catch you.

The CHAIRMAN. They have State employment bureaus, do they not?

Secretary WILSON. Yes, sir.

The CHAIRMAN. Have you statistics in your office by which you can give the number that found places for the year 1918, for instance, through the State agencies?

Secretary WILSON. We have no such information, and no such information exists, because there have been no States, so far as I know, that have been operating independently in the United States. We have cooperated with the agencies in 48 States, and regarding the figures I have given, as I have said, we do not claim credit for having placed all these people definitely as a Federal institution, but in cooperation with the State institutions.

The CHAIRMAN. Can you give the number that were employed through the State bureaus in each State?

Secretary WILSON. We can separate it by States.

The CHAIRMAN. Please supply that.

Senator WOLCOTT. I want to understand you clearly. Now, the total number of placements that you have referred to a time back,

represent—if I am in error, correct me—the total number placed by all the official employment bureaus, State, Federal, and so on.

Secretary WILSON. All of those who have been working in cooperation with the Federal Government, and that includes all the State organizations and most of the municipal organizations.

Senator PHIPPS. During the period of the war, did your department request the State and municipal authorities to arrange for the closing down of private employment agencies in the various large communities?

Secretary WILSON. No; we did not make any arrangements for the closing down of private employment agencies, but we arranged for a condition that resulted in large numbers of them closing down.

Senator PHIPPS. I would like a little information along that line.

Secretary WILSON. May I explain? When the great demand for workers of all kinds came the Government itself employed large numbers, contractors for the Government employed large numbers, and we found a very unusual competition taking place for labor. We had instances of this character: A contractor for the War Department at Baltimore, requiring large numbers of workers—common laborers—asked the Employment Service to furnish the common labor, which we did, I think from the Middle West, where the building operations had ceased by virtue of the war, where other non-essential work had been discontinued, and we brought them to Baltimore. The rate paid for common labor at that time was 32 cents an hour. Immediately upon our bringing groups of workers from the Middle West to perform this common labor at 32 cents an hour, as we had assured them before they left their homes, another contractor doing work for the Government steps in and picks them out at 35 cents an hour, without having gone to any expense or to any bother: the result of which was that there was a 100 per cent turnover of labor in the plant of the first contractor mentioned every week. In other words, it took the employment of 100 workers every week to maintain every 100 of his organization. Now, no one who knows that—

Mr. GOULD (interrupting). Did the first contractor thereupon raise his wages?

Secretary WILSON. He ultimately did. Everybody knows, who knows anything about industry, that the turnover of labor—that is, the movement of men from one job to another—is a great economic loss. No man can go into a new place, even though it may be the commonest kind of labor, and be able to give his full efficiency until he knows something about the tools he is using, something about the particular conditions of the work that he has to do, something of the nature and disposition of his associates and of his immediate foreman, and there is loss in the starting of the workmen, in addition to the loss of time, over what there would be between the cutting out of the former workman and the coming in of the succeeding workman. We had cases of this character, where skilled workmen were needed in Washington and Norfolk for building operations for the War Department, and we went out into the Middle West, where building operations had practically ceased, and we brought bricklayers and other skilled workmen here to Washington and to Norfolk for the War Department, only to find that when they came

here contractors doing work down in Alabama, who could just as readily have gone into the Middle West, if they had known where the labor could be secured, and could have secured their labor there, came here to Washington and to Norfolk and took the skilled labor from these points down into Alabama to perform the labor down there.

Senator WOLCOTT. I suppose that they offered them better pay.

Secretary WILSON. Yes; they offered them better pay, but the inducement of better pay could have been offered by going direct into the Middle West and making the offer there just as they did here.

Senator PHIPPS. That, Mr. Secretary, has been the result of competitive bidding. The question that I asked you is that relating to the closing down of private agencies.

Secretary WILSON. Yes, I know; but I am simply laying this as the basis for the answer.

Senator PHIPPS. Yes.

Secretary WILSON. It became apparent, therefore, that something must be done to offset this competitive bidding for labor, and for that reason we entered into an arrangement by which, on the 1st of August, 1918, all of the common labor that was not hired at the gates themselves would be hired through the Employment Service in cooperation with the States and municipalities. Our expectation was, if the war had continued, and our experience demonstrated that our securing control of the common labor was a valuable thing for war purposes, we would have gone on with it with respect to skilled labor. We tried out the experiment with common labor. It had the effect of eliminating the unfair competition in the bidding. It did not have the result of maintaining the wages, namely, the respective communities asking for more wages than before; and in some instances the increased wages were granted; but that increased wage was granted upon a fair competitive condition rather than upon an unfair competitive condition such as had been created by the emergencies of the war.

Senator PHIPPS. Could we have a copy of one of those agreements?

Secretary WILSON. I will ask the Employment Service to furnish copies of the arrangements that were made at that time, to be put into the record. That resulted, of course, in their doing less business for the private employment institutions throughout the country, and many of them went out of business. In the case of some of them, we took their managers, their skilled men, into the Employment Service; because those were the people who knew something about the work, and we took some of those into our service.

Senator STERLING. Prior to the war were there very many private agencies for the employment of manual labor?

Secretary WILSON. Yes.

Senator STERLING. Prior to the war?

Secretary WILSON. Yes. There were large numbers of private agencies in all of our large cities; and the very fact that those private agencies existed demonstrated the need for such a clearing house for information.

Senator STERLING. But where the population was largely a rural population, there were no such needs for those private agencies?

Secretary WILSON. There were no agencies; and yet the need of people to harvest wheat crops, the need of the fruit growers on the

Pacific coast, the need to harvest the specialized farming everywhere has demonstrated that there is a need of some kind of an employment agency that will assist the farmers.

Senator STERLING. Were those needs so great prior to the war as to result in the establishment of private agencies for the employment of manual labor?

Secretary WILSON. Yes.

Senator STERLING. In those rural communities?

Secretary WILSON. Yes; the agencies were not established in the rural communities; but the agencies were established in the populous centers, and the agencies so established were utilized by the rural communities as the means of procuring their labor; that is, the common labor. Take, for instance, Chicago—they would secure the labor from the private agencies in Chicago and large numbers would be sent out into the wheat belt. Out of the private agencies in Los Angeles large numbers would be sent out into the sugar-beet fields. Out of Portland and Seattle, from private agencies, large numbers would be sent out for the fruit gathering, etc.

So, while the agencies themselves did not exist in the rural communities, the agencies in the urban communities were utilized to supply the labor to the farmers. They were not sufficient to supply all that was needed. Frequently there was difficulty in getting the amount of help, and the kind of help, that was valuable.

Senator PHIPPS. Have you any knowledge of licensed agencies being required to close up shop and go out of business during this war period at the request of your department or any of its local agencies?

Secretary WILSON. No; I have no knowledge of their going out of business at our request. We had no authority, nor did we assume any, to put any out of business. I know that some of them went out of business because they did not have the business to do.

Senator PHIPPS. There were some of them that went out of business at the request of State authority against their very strong protest.

Secretary WILSON. I have no knowledge of that.

Mr. MAHER. Can you give us any information as to the methods employed by foreign countries to secure employment for their unemployed?

Secretary WILSON. The methods employed in Great Britain, for instance, have been the establishment of these labor exchanges, as they call them over there. They have been in existence for some 10 or 12 years. They were in existence before the war came. They pursued very much the same policy of having local clearing houses, with a general clearing house of information. Great Britain has gone, however, very much further than we have, or that it will be likely we will go, because her problems were very much more acute than ours for a while. Great Britain has not only furnished the machinery by which the job and the man can be brought together, but Great Britain has furnished compensation for a certain length of time to all out of employment. I doubt whether the policy is a wise policy to-day. In conversation with some of the most intelligent of the laboring people of Great Britain, they have intimated to me that it has been an inducement to those who are thus being compensated to remain out of employment. As I remember it—and I

- am speaking only from memory—that compensation allowed to men is 30 shillings a week, and that is true whether the man has been in the military service or whether he has been in the industrial service of the country, and to women, as I recall it, 25 shillings a week.

Mr. McCrATE. That is the maximum.

Secretary WILSON. That is the maximum; yes, but the difficulty, as stated to me by some of the most intelligent people, is that it is an inducement to hold out for the three-month period rather than to work. Now, there is not the remotest likelihood, at least so far as our Federal Government is concerned, under our particular form of government, that we are going to compensate men who are idle. Personally, I do not believe in compensating men who are idle. I do believe that where the Federal Government and the State governments and the municipal governments have public work that has to be done at some time or other, that now is the time to do that public work, even though it may cost more to do it now than at some other time. I would compensate the people who accept those opportunities, for the actual work done; but I would not compensate them for doing nothing. I have the same view point with regard to periods of unemployment generally. I would not compensate the men for being unemployed, or while they are unemployed, but I would have this large reservoir of work in the States and in the municipalities and in the Federal Government, by which the work would be at all times available.

Senator SMITH. Have you any statistics in your department showing any considerable number out of employment, who want to work and can not get work?

Secretary WILSON. Oh, yes. Our information has come to us through the Employment Service—

Senator SMITH. And you can have those furnished to us, can you?

Secretary WILSON. Yes, sir.

Senator SMITH. With the localities in which they are found?

Secretary WILSON. Yes.

The CHAIRMAN. We expect a record vote upon the wire question in the House at 12 o'clock. The previous question has been moved on it, and I would like to inquire whether or not you could come at the next meeting again?

Secretary WILSON. I will be glad to come.

Mr. NOLAN. I will ask you one question, whether there are any private employment agencies operating in England?

Mr. MAHER. Or in Australia or in New Zealand.

Secretary WILSON. There are no employment agencies operating in England except those that deal with domestic service.

Senator KENYON. Mr. Chairman, I move that we now adjourn until 10 o'clock to-morrow morning.

(The motion was duly seconded and, on being put, was carried, and at 11.55 a. m. an adjournment was taken until 10 o'clock the following day, June 20, 1919.)

NATIONAL EMPLOYMENT SYSTEM.

FRIDAY, JUNE 20, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate, and the Committee on Labor of the House of Representatives, met pursuant to adjournment at 10 o'clock a. m., in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senators Kenyon and Walsh (Massachusetts); Representatives MacCrate, Hersey, Nolan, Maher, and Casey.

The CHAIRMAN. The meeting will come to order. I think in view of the fact that the hearings will be rather extended, we had better proceed, Mr. Secretary.

STATEMENT OF HON. WILLIAM B. WILSON, SECRETARY OF LABOR—Resumed.

Secretary WILSON. Very well, Mr. Chairman. Yesterday Senator Smith of Georgia made inquiries as to the comparative amount of placements, as between the States and the Federal Employment Service. There is no possibility of making a comparison of the respective activities and results, during the period in which the Federal service and the State services were acting in cooperation with each other. We usually, in conducting the cooperative enterprises with the States, furnished a portion of the personnel for the different offices, and the means of clearing beyond the States, so that the work was a joint work, that could not be separated. As illustrative, however, of the difference between the State agencies acting without a connecting link and acting with it, I want to supply some figures from the State of Illinois prepared by the State director of the State of Illinois.

In 1917 there were 160,738 registrations, 157,686 referred to positions, and 129,730 placed. That was prior to the present form of cooperation with the States. In 1918, with the present form of cooperation with the States, there were 561,162 registrations, 510,360 referred to places, and 420,735 placed.

In the first three months of the current year there were 181,799 registrations, 130,837 referred to places, and 95,367 placed.

As I said yesterday, however, that is not exactly a fair comparison because the conditions were different in 1917 from the conditions in 1918, but this at least is illustrative of the benefits that accrue as the result of having a cooperative arrangement with the States and the Government.

The CHAIRMAN. Will you kindly explain, Mr. Secretary, what conditions existed in 1917 that did not exist in 1918?

Secretary WILSON. In the early part of 1917, the first three months of 1917, we were not engaged in war. During the following three or four months we were simply getting our bearings as to what our industrial activities would be, so it may be said very properly that for the first six months of 1917, the industrial conditions were not at all similar to the industrial conditions in 1918.

I have also a table here from the State of Illinois, showing the expense of placement by this joint arrangement.

Mr. HERSEY. For what period, Mr. Secretary?

Secretary WILSON. Three months of this year.

Mr. HERSEY. Of this year?

Secretary WILSON. Yes. No, I am wrong. For the months of December of last year, and January and February of this year. I will submit the entire table for the record, as I want to note some of the costs as they are given. I will read some of them. In the station at 116 Dearborn Street, the average cost of placing skilled labor was 93 cents; of placing women in industrial pursuits, 97 cents; of placing clerical help, \$1.90; of placing farm help, \$2.12.

Senator KENYON. That is, it costs that much to place each person in that particular station?

Secretary WILSON. Yes; it costs that much to place each person in that particular station; at 553 West Madison Street, railroad labor 38 cents; at 105 South Jefferson Street, unskilled labor 29 cents; at 984 Milwaukee Avenue, a branch office, the class of labor not given, 38 cents; at 3032 South Wabash Avenue, class of labor not given, 47 cents. The entire table I will place in the record for the information of the committee.

(The record referred to is here printed in full as follows:)

Summary of placements for the following offices and the cost per placement for the months of December, 1918, January and February, 1919.

Location.	Salaries and office expenses for 3 months.	Registered.	Help wanted.	Referred.	Reported placed.	Cost per placement.	Amount applicants would have paid in fees to private employment agencies.
116 North Dearborn:							
Skilled.....	\$10,163.50	41,854	24,597	22,352	11,824	0.93	\$53,914.00
Woxon's.....	4,923.00	8,165	9,119	6,062	5,098	.97	47,664.50
Clerical.....	1,770.00	3,450	1,264	1,252	901	1.90	34,580.07
Farm.....	826.50	1,530	574	790	387	2.13	1,935.00
553 West Madison Street:							
Railroad.....	5,591.07	30,627	44,931	15,567	14,845	.38	59,380.00
105 South Jefferson: Unskilled.....	4,015.02	6,426	22,303	14,452	13,747	.29	34,357.50
984 Milwaukee Avenue: Branch.....	1,788.60	8,104	7,285	5,530	4,685	.28	16,397.50
3032 South Wabash Avenue: Branch.....	1,500.00	5,208	7,435	4,109	3,202	.47	9,608.00
56 East Rand: Handicapped.....	2,676.45	2,156	1,593	2,200	1,735	.....	8,675.00
Total.....	33,253.14	107,618	119,101	72,314	56,424	1.98	266,519.57
Totalsaved.....							33,253.14
							233,266.43

* Average cost per placement.

Mr. MACCRATE. Do you understand that those figures were compiled by your office?

Secretary WILSON. They were compiled by Dr. Prentiss, the State director for the State of Illinois.

Mr. MACCRATE. And you take the aggregate number that was placed and divide that in the salary—

Secretary WILSON. Yes, sir. This should be understood that there may not be any misunderstanding about it, it should be understood that this does not include the overhead cost of the organization; it only includes the office cost of the organization.

Mr. MACCRATE. And in arriving at that figure, Mr. Secretary, did you include, or did the one who compiled it, put in the work done by the Young Men's Christian Association, the Knights of Columbus, the Hebrew Welfare Association, and did they take the aggregate of all the men and divide the salaries?

Secretary WILSON. Only in so far as the Young Men's Christian and the Hebrew Welfare Association, the Knights of Columbus, or any of the welfare associations or other agencies make the placements through that particular office. If they make the placements, as they do in some particular instances, otherwise than through our office, there is no record of it. We have no record even of all of the placements. We have a record of all those referred to places, but we have not a record of all that are placed. The only record that we have of those placed, are the persons who are directed to employment, and after securing the employment send in the return card that we furnish them, that is, return it to the office. In other words, we have not gone to the expense of sending people out after the people we have referred to employment to find out whether or not they have actually been placed. We have simply depended upon them sending the return card, and our information is based upon the return cards that are sent back.

Mr. MACCRATE. Did any of the people in your Employment Service take a stack of cards and send some of them to the Young Men's Christian Association, the Knights of Columbus, the Hebrew Association, and the others who are engaged in that welfare work and tell them to use them, and when they are used to have them report back to your central office?

Secretary WILSON. That may have been the practice in some of the localities. Our objective has been to coordinate all the activities, and make one central clearing house to which the information comes back, and to utilize every agency available not engaged in the business for profit for the purpose of making the work as effective as possible.

I started out yesterday morning with the purpose of clarifying the atmosphere relative to certain criticisms before proceeding to a general discussion of the subject matter of the respective bills. I had pointed out that the criticism relative to the Employment Service and the Department of Labor being conducted solely in the interests of organized labor, was without any foundation in fact, that the complaint about inefficiency had no real foundation under the circumstances in which the Employment Service was operating, and I want to take up, before I proceed further, one other criticism that it seems to me is of such importance that it ought to be referred to. There

have been a number of minor criticisms to which I will not undertake to refer.

Mr. CASEY. May I ask if you have concluded your remarks on clarifying the Seattle situation?

Secretary WILSON. Yes; I think I have said all in regard to the Seattle situation that is necessary in order to clarify that and point out just what the facts were in connection with it. We had, as I stated, gone into the Middle West and secured workmen of various kinds for Seattle. We had said to those people that it was useless for those people to go to Seattle to seek employment unless they were either union men or willing to join a union; that we did that during 1918; that to the extent of our service is required to supply the labor and meet the turn over in Seattle, we are doing it now; that we will continue to do it as long as the conditions existing at Seattle continue.

The CHAIRMAN. Are there any other cities in which you follow that same plan?

Secretary WILSON. We have had no other place where we have been required to furnish solely union workers.

Mr. CASEY. I want to ask one question in connection with that. I made some inquiries into this matter, and I just want to try and find out if you can tell me the facts. When that question came up about Seattle, about securing the necessary help in the shipyards, and places for them to live, a representative of the Emergency Fleet Corporation went to Seattle, and there were agreements entered into, as I understand it, which were indorsed by the employers' association and the chamber of commerce and the metal trades association and some others, and with the result that they went out and got the men from the Middle West, and they were turned over to the chamber of commerce and other welfare associations—that is, the proposition of finding the necessary housing for them. Can you tell me whether or not those are the facts?

Secretary WILSON. To this extent that is true: That the employers and the employees jointly with the representatives of the Fleet Corporation entered into an agreement by which the work in the shipyards was to be on a union-shop basis. That met with the general approval of organized capital in Seattle and it met with the approval of organized labor in Seattle. I have no information as to the agreements with regard to the housing that you have reference to. I do know that there was complaint of shortage of houses in Seattle, but I do not know of any agreement entered into by the Seattle Chamber of Commerce or any of the other commercial bodies of Seattle by which they were to furnish the houses to the men. That may have been the case, but I have no definite knowledge as to that.

We were scouring the country for the labor, and with that agreement in existence, we took the ground, and take it yet, that justice to the nonunion men and the men who were not union men and were not willing to join a union for any reasons sufficient to themselves required that they should be notified of the conditions there in existence.

Mr. CASEY. So, whether the agreement was a good or a bad agreement your department was not in anyway responsible for it, is that it?

Secretary WILSON. Our department was not in anyway responsible for it, and where we had been asked to supply labor that was non-

union labor—there have been very few instances, and they are usually small instances where that has been the case, but where we have been asked to furnish the nonunion labor we have furnished the nonunion labor, because we undertook, as far as we could, to meet the conditions.

May I go one step further, although it is not a necessary part of this inquiry. There has been only one instance or one circumstance under which the Department of Labor has refused to use its offices to supply labor, and that has been when a strike existed at any plant. We have taken the ground that during a period of industrial dispute, the Employment Service should be absolutely neutral, and that we could not be absolutely neutral if our machinery could be utilized for the purpose of assisting either of the sides. We further took the ground that when a labor dispute takes place, there are numbers of idle men involved in the strike, that they are men who have the skill to do the labor, and that is apparent by virtue of the fact that they have been doing the labor, and it is not the province of a public employment office, no matter how it may be the province of a private employment service, it is not the province of a public employment service to take workmen into any locality where there is already a sufficient supply of labor. We have taken the ground that when a dispute of that kind occurs, it is not the duty of the Employment Service to deal with the situation, but the duty of our Conciliation Service, to deal with the situation; and so, in cases of that kind, instead of utilizing our employment service, we have sent our conciliators out for the purpose of endeavoring to find some common ground that would be acceptable to both of the sides, although it may not be satisfactory to either side.

The CHAIRMAN. I would like to inquire whether or not, in connection with that from the 6th day of April, 1917, to the 11th day of November, 1918, during the war, there has been 6,000 strikes of an average of 18 days each? What have you to say to that?

Secretary WILSON. Well, Mr. Chairman, I could not offhand tell you the number of strikes and the average length of time of the strikes. There probably were that number of strikes during that period of time. We, however, during the entire period of the war never had a strike of more than local dimensions, nor one involving any considerable number of our workmen. We had many threatened strikes of large dimensions, but we were able to secure an adjustment of them in every instance before they reached the strike stage.

I may add this, also, though it is not pertinent to this inquiry here, that when we started with our Conciliation Service six years ago on a very meager scale, upwards of 70 per cent of the labor disputes that were brought to our attention had reached the strike stage before we were advised of their existence. That has gradually been reduced, so that now of all the labor disputes brought to our attention, less than 10 per cent of them have reached the strike stage before they are brought to our attention; and in most instances, under those circumstances, they never reach the strike stage at all.

The CHAIRMAN. And was it the attitude of your department to settle them, or the Employment Service—

Secretary WILSON. The Employment Service did not deal with that phase of the situation at all.

The CHAIRMAN. And they did not interfere with it at all?

Secretary WILSON. They did not interfere with it at all. The Employment Service has been directed to keep its hands off of all labor troubles. Their sphere is not the diplomatic function of bringing the employer and the employee together in questions that are in dispute. Their function is to endeavor to find the labor employers who require additional labor, or the jobs for the men who desire jobs, and they do not in any manner interfere with the problems of adjustment of disputes.

Mr. NOLAN. I suggest, Mr. Chairman, if I may, that we are likely to have long-drawn-out hearings in this matter, and that we should try to confine ourselves to the subject matter of this bill; and, if we do so, we will get along in pretty good shape. This is a question of the Employment Service.

Secretary WILSON. The phrase or the criticism that I feel ought to be brought to your attention this morning has been the allegation relative to a Federal Employment Service being a great political machine.

The present Employment Service was built up during a war emergency period, when there was no time for the preparation of a schedule of qualifications of those who occupy the positions; when there were very few people in the country who had any experience with the problem; and where the necessities of the war required that there should be a prompt building of the service. Under those circumstances, there was not opportunity, even if the executive officers desired to utilize the opportunity of selecting for the personnel of the Federal Employment Service those, and those only, who were connected with the same political organization as the administration. That was not done.

I suppose that I have the same view point that most men have concerning what constitutes good politics. My concept, and which I conceive to be the concept of most men, is that the very best politics that can be played by any man in any political party is to give the best possible service, utilizing the best possible judgment with the highest ethical ideals. Our duty was to give the service. That is what Congress intended when it made the appropriation. We could not build a Nation-wide organization practically over night solely upon our own knowledge of the qualifications of the personnel; and for that reason, and for the reason of the war, the conduct of the war, was not a partisan proposition; but all parties favored it, that all parties were anxious to see it successful, instead of even attempting to use the new positions that were available as a means of furnishing positions to political friends, we communicated with the various State councils of defense, and asked them to advise us of the personnel within their respective States that could be utilized to the best advantage in the operation of the Employment Service. The State councils of defense naturally were frequently composed of Republicans in Republican States and of Democrats in Democratic States; and when the personnel was selected, it was natural that in the Republican States the majority of the personnel would be Republicans, and in the Democratic States the majority of the personnel would be Democrats. That led to the complaint on the part of the Democrats in the Republican States that the organization was being used to advance and promote the political interests of the Republicans, and in Democratic States the complaint was made by the Re-

publicans that the organization was being used to promote and advance the interests of the Democratic organization.

Mr. HERSEY. They were probably both true.

Secretary WILSON. It is possible that both were true, but it was not true from a natural standpoint. If the other course had been pursued, then there would be bases for complaint if the course had been pursued of selecting the personnel solely upon the initiative of the executives here at Washington, then there would have been cause for complaint.

Mr. MACCRATE. In our State, in the State of New York, we did not think of the parties at all. I think that our man in charge there was a Democrat, but I do not think that he thought of it at all.

Secretary WILSON. However, those complaints were made and I felt that it was fair to the Employment Service and to the committee that the policy we pursued in connection with this problem should be placed fairly and squarely before the committee. As to a permanent service, of course those who come into the Federal service at least would be classified and would be under the civil-service regulations and would have the civil-service protection.

Senator KENYON. So far as you are concerned, and so far as you know, there were no politics then?

Secretary WILSON. So far as I was concerned, and so far as I know, there were no politics anywhere; and I never inquired, and I never knew except when a person brought it up to me by correspondence or personally, what the politics of the people were who were appointed in the various positions.

Mr. HERSEY. Were there many complaints to your office of this kind?

Secretary WILSON. Yes; there were several such complaints to the office. Some complaints were made that people were being selected, or had been selected, because they would promote either the Democratic political interests or the Republican political interests.

Mr. NOLAN. Could you incorporate in the hearings at this time the names of the State directors?

Secretary WILSON. I can have incorporated in the record the names of the State directors.

Mr. HERSEY. Of the old organization?

Mr. NOLAN. As they had them up to the time when it was really in full force?

Secretary WILSON. I can make it.

Mr. HERSEY. Will it throw any light on this bill?

Mr. NOLAN. Yes; if you are going to take into consideration in any way the political situation.

Mr. HERSEY. We do not care about going into that.

The CHAIRMAN. About how many complaints of that kind did you receive?

Secretary WILSON. Not very many.

The CHAIRMAN. Was it general?

Secretary WILSON. No; they were confined to a very few States, a very few States.

Now, Mr. Chairman, I think I may proceed briefly to state what my viewpoint is with regard to the general subject of an employment service.

I am one of those who believe that high standards of living can not be secured or maintained unless there is large productive capacity on the part of the people. I think it will be admitted by every student of the subject that our material standards in this country are the highest standards existing anywhere. I think also our ideals are the highest existing anywhere.

Those standards are demonstrated to exist by virtue of a tremendous immigration we have had into this country in the years preceding the war. Men came here and women came here in large numbers from all the other countries of the world, or nearly all of the countries of the world; they came here, and two-thirds of them remained here after they came. They not only remained here, but they wrote to their friends advising them that this was a good country to come to; and while we have in our larger cities many dark spots, even those dark spots maintain a higher standard of living than is to be found among the average of the workers of Europe, or Asia; or of Africa. That high standard of living has been possible by virtue of the higher productive capacity of the American workman. Notwithstanding the criticisms that have been made about American workmen falling down upon the job, about their soldiering, about their restrictions of output, the fact remains that we produce more per individual than any other country, and that makes it possible for us to have not only higher standards of living for our workers, but higher profits for our capitalists.

Every time any workman is out of employment, whether for a short period or a long period, we are thereby reducing the aggregate of production, and it is not only an injury to the man who is out of employment, but it is an injury to the entire community because the entire community must draw upon the aggregate of production.

There has heretofore been no system or method of clearing information concerning opportunities for employment. Even in our rural communities, where everybody knows everybody else and everybody else's business, it is frequently the case that a farmer needs a farmhand, someone to help harvest his crops, a mechanic or a common laborer, and that some workman capable of doing any of these classes of labor is out of employment within easy reach; and yet the two have no means of getting into contact with each other to their mutual advantage.

What is true of the rural communities on a small scale is intensively true of the large industrial centers. Frequently in cities like New York and Chicago, Philadelphia, Boston, Buffalo, Pittsburgh, St. Louis, San Francisco, Los Angeles, Seattle, New Orleans, men are out of employment, qualified to do certain classes of work, and employers are in need of that class of work, yet the two are unable to get together through lack of a common clearing house; and wherever that is the case, and it is continually the case somewhere, there is a reduction in the aggregate of production, which is injurious to the entire community.

Other countries have realized that, many of them long before we began the consideration of the problem. New Zealand, I believe, was the first of the countries of the world to introduce an organized employment service.

May I read, for the information of the committee, a list of the countries that have an employment service, and also the date of the

establishment of employment services in those countries so far as I have them. They are:

	Date established.
Argentina.....	1913
Brazil.....	
Canada.....	1913
Cuba.....	
Denmark.....	1913
France.....	1911
Germany.....	1914
Great Britain.....	1909
Hungary.....	1910
Italy (proposed in 1915).....	
Netherlands.....	1916
New Zealand.....	1891
Norway.....	1906
Sweden.....	1906
Switzerland.....	
Union of South Africa.....	1910

Mr. MACCRATE. Could you also supply the amounts appropriated by the countries for the service, and the population of the countries?

Secretary WILSON. I will give you that information, that is, the appropriations or subsidies granted for employment exchanges in the various countries.

In Canada provincial employment offices only recently coordinated under the Employment Offices Coordination act, and no statement of appropriation by the Dominion Government is yet available. In Denmark, in 1915-16, 89,945.46 crowns (\$24,105.38) were expended for employment exchanges, of which amount the Government appropriated as a subsidy approximately 29,000 crowns (\$7,772).

In Germany, in 1912, municipal, provincial, and State subsidies amounted to 610,459 marks (\$145,289.24) paid to 2,224 offices. There was no national employment system. The 1914 law merely required employment exchanges to submit reports to the national Government.

Great Britain makes no specific appropriation for employment exchanges. Expenses in connection therewith are defrayed out of moneys provided by Parliament and no figures of parliamentary grants are available.

In Sweden the income of employment exchange system in 1917 was obtained from the following sources:

	Crowns.	
National government.....	84,943.03=	\$22,764.73
Provincial governments.....	136,171.21=	36,493.88
Agricultural societies.....	16,031.66=	4,206.48
Municipalities.....	221,987.78=	59,492.73
National Association to Prevent Emigration.....	1,632.50=	437.51
Other sources.....	1,441.33=	386.28
		123,871.51

In 1917 Switzerland granted subsidies to 5 cantonal and 11 municipal employment offices to the amount of 62,375.50 francs (\$12,038.47).

No figures are available for Argentina, Brazil, Cuba, France, Hungary, Italy, Netherlands, New Zealand, Norway, or Union of South Africa.

The development of public-employment exchanges in Great Britain was somewhat slow. It was first taken up by the Government in 1893, when unemployment grew particularly acute during

the industrial depression of that and preceding years. In 1893 appeared a report by the board of trade on "Agencies and Methods for Dealing with the Unemployed." At that time there were enumerated 25 public employment offices conducted by municipalities, and of these 15 were temporary, leaving only 10 to be regarded as more or less permanent bureaus. Practically all the employment bureaus of that time were private commercial ones, to which must be added a few charitable or philanthropic bodies which organized employment offices; and principally there should be noted what was accomplished by the trade-unions formally through their labor registries and informally through their secretaries and other officials.

In 1902 a so-called labor bureau act was passed, authorizing the establishment of public-employment bureaus or employment exchanges by municipal authorities. These, however, it is reported, accomplished only meager results, explained as due to the fact that their status, legal or otherwise, was not clearly defined, and also because action on the part of the municipalities was entirely voluntary.

The first organized system of public-labor exchanges in Great Britain was probably that created under the unemployed workman's act of 1905. This act provided for the establishment, by order of the local government board, of local distress committees in London, and in each municipality with a population of 50,000 and over. In London the local distress committees were organized under the general supervision of the central unemployed body for London. Each local distress committee acted as a sort of employment exchange as well as in the nature of a poor-relief committee. That this was looked upon as a temporary method of dealing with the problem of unemployment is shown by the fact that the act was to remain in force for only three years. The work of the distress committees under this act was not comprehensive and reached only a limited class of workmen, described as just able to keep themselves out of those conditions of living which would have brought them within the scope of the relief of the poor law. The committees dealt with the problem of unemployment as practically a poor-relief problem and were designed to aid "the normally self-supporting workman in temporary distress." Thus these committees did not include within their scope of relief, as a rule, trade-unionist or skilled workmen.

The poor-law provision of 1909 notes that these distress committees were not solving the problem of relieving distress from unemployment as had been expected. The theory of the law was that this distress was temporary; it assumes that persons were thrown out of work only in bad years and upon the occurrence of special calamities. Able-bodied men in the prime of life appeared before the committees for aid. These were the casual workers, the seasonal workers, and the unemployables who were apparently a constant product of industry in ordinary times.

The work of the distress committees, as outlined under the law of 1905, did not prove more effective than the work of the labor bureaus which had existed prior thereto, in the judgment of a poor-law commission, which summarizes the situation with the sweeping statement that—

There has probably not been a single labor exchange in England which has been an important or indispensable industrial institution.

This was said in 1909.

Following the organization under the unemployed-workman act of 1905, the next step in the development of labor exchanges in Great Britain was the passage of the labor-exchange act of 1909. This act and the system of exchanges organized under it was really based on the recommendations of both the majority and minority reports of the poor-law commission of 1909.

In recommending a national system of labor exchanges the majority report of a poor-law commission used the following language:

If a national system of labor exchanges working automatically all over the country could be established, it should tend to insure that the supply of labor available in all parts of the country would be, in a measure, gauged and recorded. It might be hoped that demand and supply would be brought generally and locally in touch with each other and that the overstocking of certain trades and the difficulty of getting labor in other industries would be diminished. The present system of engaging workpeople, whether through advertisement or by taking them on at the gate is often wasteful and ineffective. By using the exchange as a center the employer would obtain the men he wanted and the men would know where they were wanted, instead of having to endure, as at present, the misery of tramping after problematical work. To this extent the exchanges would replace haphazard methods by a comprehensive system based on industrial supply and demand.

It was also felt that the need for labor in country districts could possibly be met by placing out men from the towns who had an aptitude for agricultural work and that labor exchanges might help to check rural depopulation by diffusing accurate information as to the actual conditions of living in large towns.

It is hoped that the labor exchanges would also (1) make it easier for men permanently displaced by industrial changes to pass to a new occupation; (2) facilitate the use of subsidiary trades by seasonal workers; (3) substitute for artificial tests and inquiries the beneficial and natural test of a situation through the exchange.

The commission closed its discussion of the problem of labor exchanges with the following recommendation:

We recommend, then, that there should be established under the board of trade a general system of labor exchanges throughout the United Kingdom; that these exchanges should be managed by officers of the board of trade with the help of an advisory committee of employers, workmen, and members of local authorities; that there be no compulsion to make use of these institutions, but that it should be the object of the board of trade and the advisory committee, by propaganda and otherwise, to popularize them in every way. The exchanges should be granted free postal and telephone facilities by the State and arrangements should be made whereby they might grant passes entitling workmen traveling to a situation to specially cheap fares from the railway companies. In suitable cases the cost of such passes might be defrayed by the labor exchange and afterwards recovered from the workmen.

The labor-exchange act of 1909 created a unified and coherent system of employment offices, or labor exchanges, as they are termed in the act. Central control is lodged in the board of trade, labor exchanges, and unemployment insurance department. The country is divided into eight districts, with a division head, and within these districts are the local agencies. The act provides for the taking over of all existing private and public exchanges consenting thereto. The system is, therefore, an national one; it is also unconnected in any way with the poor-relief system; its services are free of charge, voluntary, and nonpartisan. Employees are assisted by securing in advance of their necessary fare to a place of work.

Besides its general function of collecting and distributing information from employers and employees as to vacancies and applications for work, the national exchange may establish in England and Wales special local advisory committees for the purpose of vocational guidance of children. These committees are to consist of experts on education and on other matters affecting young persons and of representatives of employers and employees, together with a chairman, all of whom are appointed by the board of trade. These committees act in close cooperation with the labor-exchange offices and school inspectors.

In Scotland the provisions for vocational guidance are somewhat different, the work being left to the board of education.

For purposes of operation two kinds of employment registers are kept by the different exchanges—(1) a general register and (2) a casual-employment register. In the casual register are recorded the number of employments of a peculiarly casual nature, dock laborers, bill distributors, and charwomen. The general register, since September, 1911, has been subdivided into 22 different sections, according to different occupational groups.

Applications at the exchanges are good only for seven days, but are renewable for a similar period as long as desired.

The attitude of the exchanges as to strikes is one of neutrality. Both the employer and the employees may file a statement as to the existence of a strike or a lockout, and the workman exercises his own judgment in the matter of accepting a situation at such a place. But no railroad fares are advanced to workmen going to fill vacancies caused by trade disputes.

The employment exchanges, which are administered by the ministry of labor, have proved to be of the greatest value in connection with the organization of the labor supply during the war. This part of the State machinery, which was set up in 1910 for dealing with the ordinary problems of employment in times of peace, has been used successfully for the distribution of the man power of the nation during the war. Experience has made it clear that if the exchanges had not been already in existence it would have been necessary to set them up for war purposes, and a system so improvised would inevitably have been much less efficient.

Prior to the war, exchanges had been established in all the principal towns in the United Kingdom, and local agents appointed in the small towns. The whole system is controlled by the employment department of the ministry of labor and, for administrative purposes, the United Kingdom is divided into nine divisions, each under the control of a divisional officer. There are now 391 exchanges and 173 local agents acting as employment exchanges in the smaller centers. There are in all 1,080 local agents who are part-time officers appointed primarily for the administration of unemployment insurance in districts where the establishment of an exchange would not be justified. Some idea of the volume of work transacted by the exchanges may be gained from the fact that during the year 1917 they received a notification of vacancies for just under 2,000,000 workpeople, of which over 1,555,000 were filled, and that number of separate individuals for whom employment was found during the year was over 1,375,000.

Each exchange forms a center at which individual workpeople can be dealt with. Throughout the war it has been necessary to collect workpeople of various classes and to arrange for them to take up work at various places throughout the Kingdom. The exchanges have made it possible to do this. The demands of the Government for labor have been made known at the exchanges, and the special arrangements for attracting labor to work of national importance have been administered through them. It is hardly necessary to mention that whatever the general character of the arrangements may be for transferring workpeople in large numbers from place to place there will be innumerable small difficulties arising which can be removed only by a personal interview with the workpeople concerned. The existence of the exchanges has made it possible to conduct these interviews in the districts in which the workpeople are resident and so very greatly to facilitate the distribution of labor.

The essential features in the working of the exchanges can best be illustrated by a brief account of the method of circulating vacancies, of determining and giving effect to priority in labor requirements, of advancing railroad fares, and of administering schemes of enrollment, substitution, etc., followed by some notes with special reference to women and juveniles.

For the purpose of the circulation of vacancies the country is divided into 45 "clearing areas." The number of exchanges in the clearing varies according to circumstances, from 2 to 31. In each area there is one "clearing exchange."

If an exchange can not fill a vacancy from its own register it transmits particulars at once (preferably by telephone) to the clearing exchange which then "clears the area"—i. e., ascertains whether the vacancy can be filled from any exchange within the area.

If the vacancy can not be filled at once within the area, and it is of such a nature that a worker may reasonably be brought from a considerable distance in order to fill it, particulars are at once sent by the clearing exchange to the "national clearing house" at the head office in London. The particulars are printed in an abbreviated form and dispatched (usually on the day of receipt at the head office) to every exchange in the country. Thus, any exchange which has a suitable applicant for the vacancy on its register is placed in a position to submit him for engagement.

Cancellations of vacancies are notified to the national clearing house and circulated by it in a similar way.

The number of vacancies in circulation from the national clearing house on any given day is now about 21,000. The system adopted for enabling the exchanges to deal with this number of vacancies is as follows: Once a week a "newspaper" is issued which contains all current vacancies and supersedes all previous issues; the vacancies are arranged in the newspaper by occupations and by clearing areas under occupations. Each day amending sheets are issued notifying new vacancies and cancellations of old vacancies. Thus, on any particular day, the current issue of the newspaper and the sheets amending that issue give the position up to date.

The newspaper consists of several parts, the chief of which are the Labor Priority Gazette containing specially important vacancies,

and the ordinary national clearing-house newspaper containing the bulk of other vacancies.

In order that special attention may be paid to important vacancies on munitions work or other work, a system is in operation under which such vacancies are graded in various degrees of priority, and the exchanges are instructed to try to fill them in preference to other vacancies. The degree of priority attaching to a vacancy is indicated by a special marking in the Labor Priority Gazette.

Priority is determined by the labor priority committee of the Ministry of National Service, on which the various employment departments as well as the Ministry of Labor are represented. It has been found by experience that it is essential to require that a vacancy should be notified to an employment exchange before it is considered for priority; otherwise there is no guaranty that it represents a real current demand, or that it can not be filled in the ordinary way without the special assistance of priority.

It is obviously important that the number of demands accorded priority should be kept as few as possible; otherwise the value of the priority accorded becomes quite illusory.

In order to facilitate the transfer of labor from one district to another, the exchanges are empowered to advance the railway fares of workpeople traveling over 5 miles to employment found through the exchanges. This they do by issuing a railway warrant which is exchangeable for a railway ticket at the booking office. The refund of the amount of the fare must be guaranteed either by the worker or by the employer. The employer frequently undertakes to repay the fare without recovering it from the worker, and another common practice is for the employer to repay the fare and then recover it by deductions in small amounts from the worker's wages. If the worker is placed on "work of national importance" a reduced fare (equal to five-twelfths of the full ordinary fare) is repayable to the exchange. The amount of the fares advanced under these arrangements is now about 10,000 pounds (\$48,665) a month.

In addition there are many cases under enrollment schemes in which fares of workers are paid by the State without recovery.

One of the great needs which made itself felt very early in the war was that of concentrating labor on the most urgent work, and in order to effect this on the necessary scale special inducements had to be offered. One important form which these inducements have taken is to be found in the various schemes of enrollment under which the worker is guaranteed certain terms in return for undertaking to transfer his labor as directed. The terms guaranteed usually include the guaranteeing of not less than the previous rate of wages, or, in some cases, a specified minimum rate, together with an allowance to dependents when a man is sent to work at a distance from his home. The three principal schemes may be briefly described as follows:

War-munition volunteers: Men skilled in certain essential trades, chiefly engineering and shipbuilding, who enter into an agreement with the minister of munitions to undertake work on munitions in the employe of any firm specified by the minister of munitions.

War-work volunteers: Men who have accepted for vacancies in work of national importance which has been sanctioned by the minister of national service, and who enter into an agreement with

the minister of national service. War agricultural volunteers are enrolled on similar lines for agricultural work.

Army reserve munitions workers: Men who are either discharged from the Army or who are surplus to military requirements, and enter into an agreement with the minister of munitions to undertake work for war purposes in the employ of any firm specified by the minister of munitions. These men are available as substitutes in civil employment in exchange for men of higher medical category who are made available for service with the colors.

Provision of substitutes for men released from the colors: Elaborate arrangements in cooperation with the military service tribunals and the other Government departments concerned have been for this purpose. The substitutes either are drawn from certain sources or from men of relatively low medical category who are already serving in the Army.

Workmen from the Dominion and the Colonies: Skilled workmen have been recruited in Canada by a special mission, and have also been sent over by the Transvaal Chamber of Mines and the Australian Government. The whole of the work of placing the men in employment has been undertaken by the employment exchanges in the United Kingdom. Efforts have also been made by the department to retain in this country colonial workmen who have been brought over under contract with private firms or have come to this country on their initiative by the grant of a separation allowance to the dependents abroad of such men as are placed by the department on munitions work. In return for this allowance the men enter into a contract to undertake munitions work whenever they may be needed in the United Kingdom.

Throughout the war the employment exchanges have been used replacing in civil work men who have been discharged from the fighting services. The discharge of every man is notified to the appropriate exchange and he is asked to communicate with that exchange if he has any difficulty in finding suitable civil employment. As a result of these arrangements the employment exchanges have found for some 116,000 men their first civil employment after their discharge from the navy or army.

Valuable work has been carried out by the employment exchanges in the organization of the supply of women's labor for national purposes. The ministry of munitions have made it obligatory on all national factories and controlled establishments to recruit their women's labor only through this channel, and from the outbreak of the war to May of this year, 643,149 vacancies for women in all kinds of munitions work have been notified to the exchanges, of which 98 per cent have been successfully filled. In all cases munitions factories discharging labor have been instructed to give employment exchanges at least a fortnight's notice of the number of women they propose to release and arrangements are made for the exchanges to be consulted as to the disposal of the labor elsewhere and as to the releases in the first instance of the women who are qualified for other employment. In many cases it has been necessary, in order to meet the demand for women for munitions work, to draw upon women in other districts. In certain cases this has necessitated the arrangement by the department of special traveling facilities or the

organization through local committees attached to the employment exchanges of lodging accommodations for the women brought in from other districts. A system of medical examination is also in force by which no women are sent forward through the exchanges for munitions work at a distance unless they can produce a satisfactory medical certificate from one of the local doctors on the department's panel for the purpose.

By arrangement with the war office, the Admiralty, and the air ministry the whole arrangement for organizing the supply of women for enrollment in the different women's corps for service under the Admiralty, war office, and air ministry, respectively, are now in the hands of the employment exchanges.

The responsibility of supplying through the civil service commission women's staff to the different central Government departments has also been laid on this department, and the women required are supplied through the exchanges.

In addition special steps have been taken by the department to impress upon employers the desirability of making good any depletion in the supply of labor by the employment of an increased number of women, and large numbers of women have been placed through the exchanges in a very wide variety of occupations normally undertaken by men.

Juvenile employment committees have been set up in connection with the employment exchanges in most of the principal towns. They work in close cooperation with the local education authorities and the schools, and have been of great value in dealing with the difficult problems which have arisen from the violent fluctuations in the demand for juvenile labor in various industries as a result of the war. They have had to deal with the excessive demand for juvenile labor in the munitions industry and the metal trades generally, and they have assisted in recruiting boys and girls for various forms of employment under Government departments. The committee have been active in endeavoring to mitigate the unsatisfactory features of this abnormal war employment and to secure some improvement in the conditions affecting juveniles.

For the efficient working of the exchanges it is essential to have the cooperation and support of the local employers and workpeople, as without this cooperation and support the exchanges must largely fail to reach the level of usefulness of which they are capable. In order to bring the local employers and workpeople in close touch with the exchange, and to give them an insight into its working and some share in its direction, local advisory committees have recently been set up in connection with the various exchanges.

An act of the Canadian Parliament, assented to May 24, 1918, provides for a system of coordination of the provincial employment offices quite similar to that being established at the present time in the United States. The minister of labor is authorized to aid and encourage the organization and coordination of employment offices and to promote the uniformity of methods among them; to establish one or more clearing houses for the interchange of information between employment offices concerning the transfer of labor and other matters; and to compile and distribute information received from employment offices and from other sources, regarding prevailing conditions of employment. The measure closely resembles our Federal

system of providing for vocational education, in that a central fund is appropriated from which allotments are to be made to the different Provinces for the purpose of maintaining provincial employment offices, the amount in no case to exceed one-half that expended for the same purpose by the Province receiving the allotment. An initial sum of \$50,000 is set aside for the fiscal year beginning April 1, 1918, and of \$100,000 for the succeeding year; the regular continuing appropriation is fixed at \$150,000. Payment of allotments is conditioned upon agreement between the minister of labor and the provincial authorities. Conditions of operation, to be incorporated in any such agreement, are that the offices shall endeavor to fill situations in all trades and for both male and female employees; and that the office shall make such reports and submit to such inspection as the minister may require. The minister of labor is required to submit to Parliament annual reports of expenses and work done by the various Provinces.

At the 1918 session Parliament passed the employment offices coordination act, which authorized the minister of labor—

to aid and encourage the organization and coordination of employment offices and to promote uniformity of methods among them; to establish one or more clearing houses for the interchange of information between employment offices concerning the transfer of labor and other matters; to compile and distribute information received from employment offices and from other sources regarding prevailing conditions of employment.

The act set aside the sum of \$50,000 for the fiscal year 1918-19, \$100,000 for the year 1919-20, and \$150,000 for each succeeding fiscal year, for distribution among the Provinces in proportion to their expenditures for the maintenance of employment offices. It was also stated that no Provinces should receive more than 50 per cent of its expenditure. The subventions were made conditional upon an agreement between the minister of labor and the provincial governments as to the terms, conditions, and purposes upon and for which they should be made. The act was assented to in May, 1918, and the minister of labor immediately brought the legislation to the attention of the various provincial governments and agreements under the act between the minister and the provincial governments were completed in several of the Provinces before the end of the year.

At a conference of the employment officials of the labor department and the provincial governments held in Ottawa in November plans were laid for the work under the act, agreement was reached as to the measure of coordination necessary to enable the provincial systems of the employment offices to function as units in a national employment service organization, and a standard system of forms and records was decided upon. The fields of work for the labor department and the various provincial departments were outlined and general rules to govern the operation of all employment offices under the act were adopted. The regulations agreed upon were passed as an order in council (P. C. 3111), under date of December 17, 1918. The order in council (copy attached) makes provision for the establishment of a council to advise the minister of labor in the administration of the act and sets forth the duties of the department of labor, the provincial governments, and local employment offices in the administration of the law. The procedure to be followed by employment officials in dealing with questions of wages, employment conditions, and industrial disputes is also laid down.

The regular procedure under the act was modified to some extent in the maritime Provinces. In those Provinces there had been no beginnings in employment work as in the other Provinces, and in view of this fact and the urgency of the demobilization problem an arrangement was completed with the provincial governments concerned by which the department of labor will operate the employment offices during the demobilization period, the provincial governments cooperating to the extent of supplying premises and equipment. Authority in the matter was given the minister of labor by order in council (P. C. 3111).

At a conference between the prime minister of the provincial governments and the members of the Dominion Government held at Ottawa shortly after the signing of the armistice there was general agreement that during the period of reconstruction the subventions paid to the provincial governments for the purposes of the employment offices coordination act should be equal to half the amount expended for the maintenance of employment offices by the Provinces, the total amount of the subventions not being limited to the sum of \$50,000 for the year 1918-19 or \$100,000 for the year 1919-20, as stated in the statute. This view was accepted and embodied in an order in council (P. C. 537) of March 12, 1919. For the former year an additional vote of \$30,000 was provided, making a total of \$80,000 available for subventions under the act. For the year 1919-20 a special appropriation for \$150,000 was made in addition to the amount of \$100,000 stated in the act, making a total of \$250,000 for that year.

Immediately after the signing of the armistice the problem of the placement of the returned soldiers came to the fore. A conference with the department of soldiers' civil reestablishment resulted in the view that a special organization should not be established for the returned soldier, but that the regular employment offices should be utilized and that their routine should be modified wherever necessary to meet the special problems of the returned men. Accordingly, it was arranged that the information and service branch of the soldiers' civil reestablishment department should have a representative in each local employment office to render special service to soldiers. When a soldier calls at the employment office the soldiers' civil reestablishment representative gives such information as he may require and deals with complaints. When the soldier makes application for employment he is introduced to the employment officials. If for any reason the soldier applicant proves temporarily or permanently unfit for employment, his case is brought to the attention of the soldiers' civil reestablishment representative in the employment office for action by his department.

A special arrangement for the establishment of employment offices in some of the smaller towns has also been completed with the information and service branch of the soldiers' civil reestablishment department. In some localities where industrial conditions would not justify the opening of a permanent employment office, such numbers of soldiers are returning as to cause local unemployment problems. By arrangement with the provincial governments concerned, the soldiers' civil reestablishment departments opens a temporary employment office in these places, and appoints an officer in charge who

also deals with employment for civilian workers. In these cases the soldiers' civil reestablishment department meets 50 per cent of the salary expense in connection with the office; the remainder of the salaries and all maintenance expenditure is shared between the provincial governments and labor department in the regular way.

In the maritime Provinces, where the provincial governments are not taking direct part in the employment work, the expenses in connection with these so-called one-man offices are shared equally between the department of labor and the soldiers' civil reestablishment department.

Offices established under the act as of April 28 numbers 77. When the act came into force there were not more than 10 or 12 offices in the Dominion, located in the Provinces of Ontario and Quebec. Mention should also be made of some beginnings in employment work in the western Provinces, chiefly with regard to employment for farm hands.

The work clearance is being organized rapidly. Each local office will report daily to a clearing house in the provincial capital unfilled positions and positions impossible to fill locally and the applicants unplaced and willing to leave the locality. From these reports the clearing-house officials will endeavor to relate an unsatisfied demand for labor in one part of the Province with unemployed workers in another locality. If the provincial clearing house after matching demand and supply as closely as possible finds that there still remains a residuum of unfilled positions and unemployed workers on the books of the employment offices of the Province, the situation is reported to the district clearing house of the department of labor, located at Halifax for the maritime Provinces, at Ottawa for Ontario and Quebec, and at Winnipeg and Vancouver for the West. With the reports of the provincial clearing houses of the district before him, the district clearing-house officer takes up the work of equalizing supply and demand between Provinces.

Each of the four district clearing houses of the department of labor will also receive a weekly report from each employer in the district employing more than 10 persons. These weekly reports will indicate the number of persons on the pay roll on the last day of the week as well as additions and reductions in staff by occupations. Data as to changes in staff will be forwarded without delay in the employment office nearest the firm in question so that it may endeavor to supply the labor required or to place the workers released. A summary of these employers' reports showing the trend of employment in each industry will be forwarded to Ottawa weekly. The Ottawa clearing house is now receiving weekly reports from employers of more than 300,000 persons and in a short time a much larger number will be included. From these reports about 2,500 vacancies are being notified weekly to superintendents in Ontario and Quebec. In view of the arrangement with the maritime Provinces mentioned above there will be no clearing house in those Provinces, but the department of labor's clearing house will function as a provincial and district clearing house.

A special transportation rate for persons being sent to employment at a distance has been granted by the following railways: Canadian National Railway, Canadian Pacific Railway, Grand

Trunk Railway. Under this transportation arrangement first-class tickets are charged for at the rate 1 cent per mile with a minimum charge of \$4, except that the regular fare applies to points where such regular fare is less than \$4. The rate is a very considerable concession on the part of the railways. Viewed from the standpoint of mileage, it grants a reduction from the regular fare on all trips of 116 miles or more, a flat fare of \$4 or more being charged on trips of 116 miles to 400 miles and a 1-cent mile rate on all trips of more than 400 miles. Reduced fares are granted to applicants on presentation of a certificate signed by the local superintendents. It is granted, of course, only in cases of bona fide placements through the employment service. The rate presupposes the existence of a well-organized system of provincial and interprovincial clearance to insure that persons will not be dispatched long distances to employment when suitable employment is available near at hand.

I will insert in the record a copy of the agreement entered into between the Canadian minister of labor and the various provincial governments, pursuant to the provisions of the employment offices coordination act.

AGREEMENT.

Memorandum of agreement made and entered into by and between the Hon. Gideon D. Robertson, minister of labor, Canada, hereunto authorized by order of his excellency the governor general in council, bearing date the _____ day of _____, 191—, party of the first part, and the government of the Province of _____, herein represented by the Hon. _____ for said Province, hereunto authorized by order of his honor the lieutenant governor of said Province in council, bearing date the _____ day of _____, 191—, party of the second part.

Whereas under the terms of the employment offices, coordination act, for the purpose of aiding and encouraging the organization and coordination of employment offices there shall be paid out of the consolidated revenue fund of Canada to the said Province, during the fiscal year ending the 31st day of March, 1919, that proportion of the sum of \$50,000 which the expenditure of said Province for the maintenance of employment offices bears to the expenditure of all the Provinces for such purposes, not exceeding one-half of the amount expended for the maintenance of employment offices by said Province; and

Whereas it is provided in said act that the payment of said moneys shall be conditional upon agreement between the minister of labor and the government of said Province as to the terms, conditions, and purposes within the meaning of said act, upon and for which the payment of said moneys is to be made and applied.

Now, therefore, the said parties have mutually agreed that the said moneys shall be paid upon the terms and conditions and shall be applied to the purposes hereinafter set forth to wit:

1. A sum estimated to be one-half of said moneys shall be paid to said party of the second part by said party of the first part on the execution of these presents.

2. The balance of said moneys may be paid to said party of the second part by said party of the first part from time to time upon the latter being satisfied that said moneys have been and are being properly expended for the purposes for which said moneys were paid, as hereinafter provided.

3. The said party of the first part shall have at all times the right through such officers of his department or other persons as he may designate or appoint for the purpose, to inspect any work carried on through the assistance of said moneys and may withhold any further payment on account of same if, in his opinion, the conditions of this agreement are not being fulfilled.

4. In the operation of the employment offices the party of the second part shall endeavor to fill situations in all trades and for both male and female employees.

5. The party of the second part shall render to the party of the first part such statement of the expenditure of said moneys, and such reports of the work carried on through the assistance of said moneys as may be required from time to time by the said party of the first part.

6. The party of the second part shall use such forms and records in the operation of the employment offices as the party of the first part may prescribe.

7. The said moneys shall be expended for and applied to the following purposes:

Salaries and traveling expenses—the salaries and traveling expenses of permanent and temporary members of the staff of any employment office operated by the said Province and the salary and traveling expenses of one official whose whole time is devoted to the supervision of the employment offices of said Province. Expenses—rental, heat, light, and water services and office supplies (not including furniture), telephone, telegraph, and postal expenses for any employment offices of said Province.

In witness whereof, the said party of the first part has hereunto set his hand and seal of said department of labor at the city of Ottawa, this — day of —, 191—.

And in witness whereof, the said party of the second part has hereunto set his hand and the seal of the said Province of the city of — in said Province, this — day of —, 191—.

Argentina has three laws concerning employment offices. The immigration law, the organic law of the department of labor, and a special law creating free employment agencies.

The immigration department places immigrants throughout the country wherever needed. The department of labor, through its inspection division, maintains an "Employment register for the purpose of coordinating the supply and demand of labor."

The law creating free employment bureaus establishes agencies in the capitals of Provinces and the form of cooperation between all the bureaus created by the three laws.

This law also regulates private employment agencies, requiring a record of all such agencies, fixing the locations they may occupy, and exacting careful and honest service by imposing fines from \$10 to \$100 for errors and misinformation, either accidental or deliberate.

The system of employment exchanges established in the Netherlands September 19, 1916, is typical of several of the European systems in that the operations of an employment exchange and of an unemployment insurance fund are coordinated in a single system.

The services organized as a bureau of the ministry of waterways and forests, the director of the service holding appointment from the Crown. The functions of the service are defined as embracing (1) unemployment insurance, (2) public employment offices, and (3) other matters connected with the prevention and combating of unemployment and mitigation of its consequences. The duties of the service in connection with public employment offices consists in "promoting by means of subsidies or otherwise the growth of the labor-exchange system, including its development along interurban and international lines," (2) "the supervision of interurban and central general labor exchanges and of those established for special occupations or industries," and (3) "the preparing and carrying out of legislation regulating public employment offices."

The special royal decree of December 2, 1916, contains detailed regulations with respect to the organization of the system. The decree provides for the establishment of a central employment bureau as a division of the unemployment insurance service and for the division of the country into 30 zones for the purpose of the gov-

ernment employment service. A large commune in which a communal association employment office is in existence has in each zone been selected as headquarters for the employment service. All other communes of a zone report to the headquarters on the daily supply of and demand for labor. The headquarters in their turn report daily to the central bureau all demands for labor which can not be supplied within the zone. The central bureau publishes daily a bulletin for the use of zone headquarters showing all vacancies in the various zones and containing other information relating to employment of labor.

The costs of the central bureau are borne by the State and those of the zone headquarters are defrayed conjointly by the State and the commune. The managers of the zone headquarters are members of the Federation of Dutch Employment Offices and are regularly convened by this federation for the discussion of mutual interests.

The first organized effort on the part of any government in South Africa to assist in the distribution of labor by means of an employment office was at Cape Town at the conclusion of the South African war. Under the supervision of the Cape Colony department of agriculture a labor bureau was formed in July, 1902, in an endeavor to cope with the large number of men who, as the result of the cessation of hostilities and the disbandment in South Africa of various units of the military forces, have begun to congregate in Cape Town and to find it difficult and in many cases impossible to get employment. Somewhat later the question of unemployment had become more acute, relief works were instituted under the control of a colonial secretary's office in Cape Town and the labor bureau, which had already done some useful work was transferred to the colonial office in 1904; and continued its operation as a branch of this office until at the date of the constitution of the Union in 1910, it was transferred to the department of mines (now the department of mines and industries) as an adjunct of the white labor section of that department. The Cape labor bureau during the period of its existence had undoubtedly served a good purpose. No fees were charged but every encouragement was given to men out of employment to register their qualifications. Men who arrived by sea and desired to find employment after landing were given every assistance. Efforts were made to obtain employment for those who registered. By keeping in touch with labor requirements in other parts of the country men were directed to suitable localities where labor was in demand; while at the same time the bureau endeavored to secure the respect and confidence of employers by a careful discrimination in respect of the qualifications of men who could be recommended for vacant positions.

At the establishment of the Union the white labor department of the Transvaal was converted into a department for the Union under the minister of mines (now mines and industries), and a labor bureau similar to that which had proved successful at Cape Town was maintained at Cape Town, Johannesburg, Pretoria Bloemfontein, and Durban, while agencies were recognized in the various magistrates' offices of the Union. Under certain conditions assistance is given in the matter of transport to persons proceeding to employment.

Special interest is taken in regard to the question of settling white men and their families on the land, both by placing suitable men

with individual farmers and also in recruiting the right stamp of family for settlement on the Government afforestation and irrigation schemes such as those at George and Franschhoek. These last-named places are regularly visited by an inspector from Cape Town, whose duty it is to make recommendation with regard to the general welfare of the laborers and their families. The overseers are officers of the labor department. An inspector stationed at Johannesburg has the welfare of the white laborers on the South African Railway under his supervision and it is his duty to visit the laborers employed on all sections, to inquire into and report upon complaints and to make recommendations with regard to the replacement of native and colored laborers by whites. This officer works in conjunction with the railways officials on all sections. In order to foster the substitution of white for colored labor and to enable the department to obtain a better knowledge of labor conditions and the needs and requirements of the country generally, labor advisory boards are being established in each district of the Transvaal under the chairmanship of the magistrate. It is hoped by this means to organize a system whereby a deficiency of labor in one district may be supplied by the surplus in another and to prevent the drift of the rural population to the urban centers. The boards are required also to advise the department particularly with regard to the placing of youths on the land.

Mr. NOLAN. Could you give us some information as to whether private employment agencies flourished in those countries or whether they were prohibited by law?

Secretary WILSON. The only one of the countries that I can speak of offhand, without gathering the data together, is Great Britain. In Great Britain private employment agencies are not permitted to engaged in any other placement of labor than that of domestic service. They are still engaged in the furnishing of domestic service. They are not permitted to furnish any other class of labor.

The CHAIRMAN. You mentioned a number of leading cities of the Republic a moment ago, and the work of the bureau in them, and I would like to inquire whether or not in every State where those cities are located did they not have a free employment bureau for the purposes you suggest this bureau for; that is, bringing of the workmen and the jobs together?

Secretary WILSON. I can furnish the committee a statement of the number of States that have free employment services.

The CHAIRMAN. That do the work you mention?

Secretary WILSON. That have been doing it in a kind of haphazard way. This should be taken into consideration, if any work is done well it is done under the impulse of enthusiasm.

The CHAIRMAN. Do any of the States send the workmen to the different States, as you do?

Secretary WILSON. No, sir.

The CHAIRMAN. And that is—do they employ them from the State bureaus—do they send them out to other States?

Secretary WILSON. No, sir.

Mr. MACCRATE. And are there not also plenty of the city employment bureaus for those in the city employ, employed in the various

cities? For instance, our city of New York has its own employment service.

Secretary WILSON. There are a number of cities in the country that have their own free employment agencies. We do not seek, and are not seeking now, in this legislation that is presented by Senator Kenyon and Congressman Nolan—we are not seeking to supercede either the State or the municipal agencies that are in existence. What we are seeking to do is to tie them up in cooperation with each other under some reasonable degree of standardization method. That is what we are doing in that connection.

These bills provide for a system of employment exchanges upon the same theory that we have carried the agricultural extension work, the road building, and vocational education. It is proposed that an appropriation be made by the Federal Government to be met by an equal appropriation ultimately by the respective States, the organizations within those respective States to be under the control of the State administration, subject only to the rules and regulations laid down by the Federal Government, those rules and regulations being necessary for the purpose of establishing uniformity in methods of doing the business and in furnishing a clearing house through which the different States may clear with each other. The matter of employment, continuous employment, is primarily a local affair.

Modern facilities have made it very easy for men to travel from one community to another, have made it easy for commodities to be moved from one community to another, and by virtue of the fact of the congestion that may grow out of the travel from one community to another, or the shortage that may grow out of the travel from one community to another, and the interest that each community has in the productivity of other communities, then it becomes more than a local problem, and there is necessity for clearing on a wider scale than simply a local scale.

The States that have instituted an employment service realized that there was a need of clearings beyond the limited lines of municipalities, and established State organizations for the purpose of making a wider clearance. Of course, there were geographical limitations that they could not go beyond; they could not go beyond the State lines in the exchange, and then it becomes a function of the Government. Men travel in such a work, clear across our country, from one end to the other, frequently without any knowledge or any means by which they can secure knowledge of what the chances are for finding employment at their destinations.

That is one of the things that has led in the past 40 or 50 years to the very large number of migratory workers. The man who goes out in search of employment and who finally runs out of funds while in search for employment becomes a tramp, becomes a hobo—he is down and out, and becomes a fertile field for the propagation of all kinds of false philosophy that endanger the safety of our institutions.

There ought to be some agency of a nation-wide character that will furnish him some idea of what the opportunities are for employment in various places of the country before he leaves his home and begins to spend whatever finances he may have, and it is one of the safeguards against the increase of the number of migratory

workers, of tramps and hobos, and a clearing house, such as the Federal Employment Service would be, would be of the greatest value.

Moreover, it is the duty, in addition to the welfare of the community that I have referred to, it is a duty that we owe to the workers themselves, that a clearing house be furnished by which they can have a knowledge of where opportunities for employment are to be had.

We have clearing houses for all kinds of information, but we have never established a general clearing house for labor information until very recently.

Society, for its own protection, has very wisely, in my judgment, conveyed titles to private property; that is, given private titles to property, and those private titles not only include the things that have been produced by man himself and acquired either by virtue of production or by virtue of exchange, but they include also things that are not produced by man, the land itself, and that has been very natural, because when a man goes upon a piece of land and begins to improve the land there is no method by which you can segregate his improvements from the land itself. He has placed them upon and in the land in such a manner that there is no possibility of segregating the natural conditions of the land from the improvements that are the result of his labor, and as a means of protecting the man who has gone upon the land in its natural state in, his right to the improvements he has placed upon the land, society has conveyed to him a title in fee simple, and in conveying the title to him in fee simple it has created this kind of a condition that the man without possession of the land must secure privilege from the man who is in possession of the land before he can exercise his right to labor, and when he comes to exercise his right to labor, under these circumstances, naturally, he is at some disadvantage. If he is limited in his knowledge of where opportunities for employment can be had he is at a greater disadvantage, and one of the reasons why an employment service is necessary is that the workingman may be protected in his right to labor.

As I said before this joint committee, I believe it was, a year ago, in a session in this room, I do not believe that any Government owes any man a living, but I do believe that it owes to every man the opportunity to earn a living; and if it owes to every man the opportunity to earn a living, under the existing circumstances, then there should be established the machinery by which he can have a knowledge of where the opportunity of earning a living is to be had.

I have outlined, in general, Mr. Chairman, my viewpoint upon this subject, and now I shall ask the committee to give the representatives of the employment service who, by virtue of their daily contact with that office, and with that phase of the subject, are more familiar with the details than I am, an opportunity to be heard.

Mr. NOLAN. Before you close, will you give the committee some idea as to how this bill was framed, and who framed it?

Senator KENYON. Are these two bills the same, my bill and the Nolan bill?

Secretary WILSON. No.

Mr. NOLAN. I introduced a bill that was handed to me.

Secretary WILSON. The bill was drafted in this manner—

Mr. HERSEY. Which bills are you speaking of?

Secretary WILSON. Both of those bills, the Kenyon bill and the Nolan bill; there are some slight variations in the bills, only in the detail of administration.

Senator KENYON. Have you examined Senator Robinson's bill?

Secretary WILSON. No; not during this session.

Mr. NOLAN. This bill I have introduced for three successive Congresses.

Secretary WILSON. We thought at the time we asked for an appropriation to meet war emergencies that the Department of Labor had an authorization at law, without an appropriation; the organic law of the department was purposely drafted in broad terms so that Congress would, whenever in its judgment it thought advisable to do so, make any appropriation for the purposes of fostering and promoting the welfare of labor, or advancing the opportunities for profitable employment of the wage earners. We believed that those terms were broad enough to cover any activity relative to the promotion of the welfare of the wage earners of the country, or the advancement of their opportunities for profitable employment, and that the department might engage in, or that Congress might desire to appropriate for.

The establishment of an employment service is at least for the purpose of advancing the opportunities for profitable employment of the wage earners; whether it does accomplish that purpose, or does not accomplish, the purpose is there, nevertheless.

We felt that the authority might be too broad, might be so broad that Congress might not be willing to appropriate on terms as broad as the Kenyon law, as the organic law; but there is nothing in the rules of either the House or the Senate, so far as I am familiar with them, that prevents the House or the Senate from imposing a limitation upon the expenditure of the appropriation under the authorization. To say that the authorization is so broad that the Secretary of the department might do anything he pleased with the funds appropriated is simply to admit that there is an authorization, and if Congress, in its judgment, believes that the authorization was too broad, then there were no rules, so far as I am advised, that would prevent Congress from placing limitations upon the expenditures of the funds.

For those reasons we believed that we had an authorization, but each House has not only the right to formulate the rules for its own guidance, but has also the right to put its own interpretation upon its own rules, and the House of Representatives, exercising that right, put an interpretation upon its rules by which a decision was rendered that there was not authority at law for this appropriation, and having made that kind of a decision, we were bound to respect its conclusions, and for that reason, believing that a Federal system of employment should be continued, we called into conference the representatives of the Federal and State employment agencies, representatives of employers and of employees, and asked them to work out a bill upon a practical working basis that would give, beyond question, an authorization for appropriations for the continuation of the service.

The CHAIRMAN. How many appeared at that hearing or conference, and what States were represented?

Secretary WILSON. That information I can furnish to the committee, although I have not got it in my memory; possibly 50 or 60 representatives, or more, were present.

The bill as submitted to Senator Kenyon and to Congressman Smith was the result of the work of that conference, with one exception. The conference advised that a bill be drafted creating an advisory commission to be appointed by the President, whose duty it would be to advise the Secretary of Labor and the Employment Service relative to policies.

Mr. HERSEY. Assuming that the present Bureau of Employment should continue——

Secretary WILSON. No, proposing the continuation of this new bureau.

Mr. HERSEY. I meant the old bureau, assuming that it should continue.

Secretary WILSON. No, the report of the conference was for the establishment of a new bureau; and this bill was submitted to Senator Kenyon and to Congressman Smith, and Congressman Smith afterwards made the arrangement for its introduction by Congressman Nolan. They proposed to establish a new bureau, and that new bureau to be built practically along the lines by which we give aid to the States in the road-building bill, and so on.

Mr. CASEY. Can you tell about when this conference was held?

Secretary WILSON. It was held in April of this year. The only modification made in the bill by myself, or rather the only suggestions by myself, and modification made at my own instance, was in regard to an advisory commission. My experience, and I presume the experience of every Congressman, whether a Member of the House or of the Senate, is that every officer in the Government is always in a position to be given all kinds of advice on all kinds of questions. There has never been a time, since I have been in official position, when I have not had the opportunity of advice from all sources; and I have been, so far as my time will permit, willing to listen to the viewpoints of anyone who had viewpoints, but not always willing to accept them, and that is the phase of it that causes me to be opposed to the creation of an advisory commission having a statutory standing, and appointed by the President of the United States.

If I get advice from an employer or if I get advice from an employee or from a professional man or from any other member of the community, I am free to accept or reject that advice within the limitations of the law that are laid down for my guidance, and there is no injurious effect upon the organization or the department. But if an advisory committee is created in the manner in which it was suggested by that conference, then the executive must either accept the advice that comes to him from the advisory commission or, rejecting it, face a feeling of discontent and disloyalty within the organization, which is to the detriment of the conduct and the work of the organization; and so I have been opposed to the creation of such advisory boards by any statutory enactment of the character suggested.

The bill as drafted provided for certain salaries, \$6,000, I think, for the director, and certain other salaries. The bill, as introduced by Senator Kenyon, changed the salary from \$6,000 to \$5,000, and

the bill, as introduced by Mr. Nolan, left the salaries just as they had been suggested by the conference.

Mr. NOLAN. No; you are mistaken, Mr. Secretary. There is no specific mention of the amount of salaries in my bill.

Secretary WILSON. Then I am mistaken. If there is no mention of the amount of salaries in your bill, then I am in error. The salaries are mentioned in the Kenyon bill?

Mr. HERSEY. They were. What have you to say about the bill being left so wide open that there is no limitation upon the employment of assistants?

Secretary WILSON. That is, of course, entirely within the provision of Congress; and Congress can very readily remedy that by its appropriations.

The CHAIRMAN. When you get through, will you please answer some questions that I have been wanting to ask you? The act establishing the Department of Labor, as I understand it, and I get my information from the letter, written by yourself on May 26, states that it is the purpose or one of the objects, and the authority given to the Department of Labor by the original act creating that department, states that it is to foster, promote, and develop the welfare of the wage earners of the United States—

Secretary WILSON. Yes, sir—

The CHAIRMAN. And to improve those conditions and to advance their opportunities for profitable employment.

Secretary WILSON. Yes, sir.

The CHAIRMAN. That I would like to inquire from you, whether or not that provision of that act is not broad enough to authorize you to establish the Federal Employment Bureau in your department?

Secretary WILSON. I thought so, as I said a few moments ago; I thought so; and I was the person who handled the bill on the floor of the House, and the chairman of this committee at the present time was the member of the Committee on Labor when the bill was considered, and we thought that the authorization was broad enough to cover that.

The CHAIRMAN. Then, what has changed your mind, Mr. Secretary?

Secretary WILSON. Well, the action of the Congress itself has changed my mind.

The CHAIRMAN. What action was that? What action do you refer to?

Secretary WILSON. When the appropriation was up for consideration in the last Congress the point of order was made that there was no authorization in law—that this was new legislation, because there was no authorization at law.

The CHAIRMAN. And was that act stated at that time?

Secretary WILSON. Yes; the act was stated at the time; but notwithstanding the stating of that act the Chair ruled that there was no authorization at law, and consequently—and the change won't go in upon its merits—

The CHAIRMAN. Now, that leads up to another point. This committee is not a committee that is authorized to make appropriations, and it has occurred to me whether or not it would be good policy, and whether or not you could not first establish the fact of the

necessity of the bureau as an independent organization, and leave the question up to the appropriation committee that has jurisdiction of cutting it out of this particular bill.

Secretary WILSON. If you do that, Mr. Chairman, you will again be confronted with the question of the point of order that there is no authorization at law. You will observe that in these bills the plan is worked out upon the basis of \$4,600,000 appropriation annually; that the appropriation is to be apportioned amongst the respective States under certain circumstances that are described in the bill.

The CHAIRMAN. And don't you have to go to the Appropriation Committee to get it?

Secretary WILSON. Yes; we have to go to the Appropriation Committee to get it.

The CHAIRMAN. Why do we if—

Secretary WILSON (interrupting). Suppose you have to lay down the basic law upon which the appropriation rests, unless there is an authorization by law for the making of the appropriation, then the Appropriation Committee can put it out upon a point of order; and if it comes before the House or the Senate for consideration, any single Member of the House or any single Member of the Senate can put the consideration of the question out simply by raising the point that there is no authorization for the appropriation, and consequently it is new legislation and not in order.

The CHAIRMAN. After we pass this bill, if it is passed and becomes a law, do we next year and every time that you wish an appropriation have to appropriate for it?

Secretary WILSON. There would have to be an annual appropriation thereafter, just as for the vocational education bill, and so on.

The CHAIRMAN. And does it have to be authorized?

Secretary WILSON. No; it would not have to be authorized, as this committee loses its jurisdiction when the bill that is under consideration is disposed of by the Congress. Its jurisdiction terminates when it comes to furnishing the finances upon this authorization, and the jurisdiction is transferred to the Committee on Appropriations.

Senator KENYON. What did you do with the vocational education bill in the House?

Mr. MACCRATE. It did not get on the floor.

Senator KENYON. I mean the one that was passed two or three years ago.

Mr. MACCRATE. Now, this bill carries an appropriation for \$4,000,000 and upward to 1920, then it adds on until 1922 for each of those two years. Why should we provide for a fund for 1922, and why should we establish that—

Secretary WILSON (interrupting). The basis upon which the computation is made is at \$4,600,000, appropriated by the Federal Government annually, with a similar amount appropriated by the respective States, will create a system of employment agencies throughout the States, under the direction of the various State organizations, and the municipalities, that will be effective and efficient, and that it requires this amount annually for the purpose of making that effective.

Mr. MACCRATE. And for a three-year period?

Secretary WILSON. Yes; for a three-year period.

Mr. HERSEY. Do you contemplate under this, Mr. Secretary, that the Federal Government shall establish Federal agencies throughout every State and throughout the large cities, and also the State governments shall establish and keep up their State organizations?

Secretary WILSON. No; we have not done that in the past; where there was no authorization of this kind the—

Mr. HERSEY (interrupting). There is nothing in the bill saying that it shall not have them.

Secretary WILSON. No; the States may have them if they want them, but the purpose of this, however, is to find the method in which the States and the Federal Government will combine.

Mr. HERSEY. But suppose they do not combine, then you will have the State and the Federal organizations both.

Secretary WILSON. Well, Mr. Hersey, the same argument might have been made in regard to the vocational education law; the same argument might have been made in regard to the road-improvement bill, and the same argument might have been made against the agricultural extension bill. If the States do not come in, they get none of this appropriation, and the portion of the appropriation that would go to the States otherwise would come back into the Treasury.

Mr. MACCRATE. In subdivisions A of section 5 discretion is given to the Secretary to give to the States—

Secretary WILSON (interrupting). That is only a temporary discretion. It is not a permanent discretion, and it is essential, under the existing conditions, that that discretion should be allowed.

Mr. MACCRATE. The bill as it is introduced does not limit the discretion for any length of time.

Secretary WILSON. Yes; I think it does.

Mr. MACCRATE. It is an absolute discretion that you may use.

Secretary WILSON. It is a discretion. I do not think it is a wise policy for any great length of time; but yet there are some features of it that the committee ought to have in its mind, and one of them is that an employment service operates upon exactly the same principle as the great railway system. There may be some divisions or branches of the railway system where the business handled upon the branch, taken as a separate proposition, would not be profitable to operate so far as the branch road itself is concerned; but when you take the branch roads as a feeder to a great system, then, though the business upon the branch road may not be profitable for the branch itself, it is for the entire road. So it is with the employment service. A feeder may not itself be profitable, but it may be profitable nevertheless as a part of a great common system.

Mr. MACCRATE. In other portions of this bill your department is going to lay down some rules and regulations which the States must conform to.

Secretary WILSON. Yes; if they are to get the benefit of the appropriation.

Mr. MACCRATE. And if the State has a policy or a labor movement contrary to that of the Government, then they can be prohibited from receiving the appropriations unless they conform to the rules and regulations of the Government.

Secretary WILSON. Yes, sir; and there is no other method by which you can find Federal cooperation.

Mr. HERSEY. But if they can not conform to the bill—

Secretary WILSON. That is one of the reasons why there is a need for the temporary discretion; the Secretary of the department should have the authorization to go into the State and utilize the funds in the maintenance of an employment service within the State until the various State legislatures can have an opportunity of passing upon the question. Until that time has arrived, there ought to be a discretion on the part of the executive of the department to make arrangements with the State governments in employment services, notwithstanding the conditions may not have been complied with through the lack of a meeting of the State legislatures.

Mr. CASEY. The conditions laid down in the bill are satisfactory to the employment services in the several States, are they, so far as you know, Mr. Secretary?

Secretary WILSON. Yes, sir; so far as I know, they are. We have had no protest from them at all.

Mr. McCRATE. But there are only 10 States that have employment bureaus, and 38 others have not.

Secretary WILSON. May I say, Mr. Chairman, that I am not well prepared to discuss the details of the bill, but only the problem or the general principles involved; and I would much prefer that the details of the bill be discussed by others.

Senator WALSH. The establishment of a bureau provided for in this bill, and the appointment of a director by the President, and the appointment of an assistant director, a woman, by the Secretary of Labor, do you think that that is good public policy to have two different appointing powers naming two different persons who have the same work to do, and the same general conduct of the business—

Secretary WILSON (interrupting). It is not at all uncommon. It is the general practice of the Government, that there exists two different appointing powers. For instance, the President invariably names, with the consent of the Senate, the executive head of the various departments, and then the independent branches of the Government, those independent branches of the Government having been selected by the President, by and with the approval of the Senate, the executives of those independent branches of the Government are then authorized to select assistants.

Senator WALSH. Do you not think, Mr. Secretary, that you should have the authority to name the director and the assistant director, or the President or some one person, rather than to have one person name a director and another person name an assistant, and both performing the same duties and doing the same work?

Secretary WILSON. No; that is a mistake, Senator. They have not the same powers or the same duties.

Senator WALSH. The assistant, is not she confined—is not her work confined to the duties of the director?

Secretary WILSON. Well, she is under the general direction of the director of the entire service. In other words, the employment of women and the employment of men are so closely related to each other that except for the psychology of it there is very little practical difference in the handling of it.

Senator WALSH. Then, in your opinion, and from your experience, you say that it makes no difference?

Secretary WILSON. No; I do not think it is necessary. If the woman assistant director was to handle a separate organization not under the direction of the director general, then I would say that the appointing powers should be with the President, by and with the consent of the Senate, but the woman assistant is to be, as the name indicates, an assistant to the director general, working under his direction, and acting in his place during his absence.

Mr. MACCRATE. I notice that this says director general, and that the assistant should be a woman; would not that exclude the woman from holding the office as a director general?

Secretary WILSON. No; I think not. If there was no provision in the bill, then a man would be the director, and a man might be the assistant director; a woman might be the director and a woman might be the assistant director. In order to make it absolutely sure, and again I refer to it as principally psychological, in order to make it absolutely sure that a woman will be in one of the directory positions, it is provided that the assistant shall be a woman.

Senator KENYON. But you have not any particular objections to the same appointive power appointing the two of them?

Secretary WILSON. No; I have not any particular objections at all, so far as I am concerned. What I am primarily interested in, is the maintenance of a Federal Employment Service in cooperation with the States and municipalities, and the details of administrations are matters which concern me very little.

Senator KENYON. Of course, you know that Congress is trying to hold down appropriations—

Secretary WILSON (interrupting). I know that, Senator.

Senator KENYON. And this \$4,000,000 is rather staggering. Now, I will ask you if it would not be possible under the present conditions to carry out the provisions of this bill and carry on the bureau established under this bill, and get it established without such a large appropriation? Could you not do that for a time?

Secretary WILSON. I believe that if we are permitted to go on, say, for the next six months, organizing it and getting it in shape along the lines we have been doing, which are identical with the lines mapped out, if you will give us one-half of the appropriation for the next six months to continue the organization for that length of time, we could get along with that appropriation for six months, and I am of the opinion that we can not at this time afford in any manner to destroy the effectiveness or reduce the effectiveness of the Employment Service in finding places, not only for the returning soldiers but for war workers who are being let out of employment by virtue of war contracts—

Senator KENYON (interposing). How much did you use in the past year?

Secretary WILSON. A little over \$5,000,000.

Senator KENYON. And the Government went ahead and spent that money, not in cooperation—

Secretary WILSON (interrupting). Under cooperation of the States—under a plan by which the expenditures would amount to practically the same amounts that are provided for here. In other words, in going into cooperation with the States, the States had no

funds appropriated by the State legislatures, and it was necessary for us, while finding the agencies within the States, frequently to furnish the equipment and the personnel within the State, under the direction of the State organizations, to handle the offices, because there were no appropriations available from the State legislatures, and yet there was a desire on every hand by them to help. The State officials wanted to help; the welfare organizations wanted to help; every department of the Federal Government wanted to help, and we were absolutely willing, very anxious in fact, to utilize the services of any agencies that could contribute to any degree toward the handling of the work.

Mr. McCRAVE. That voluntary assistance will be a diminishing one now, will it not, the farther you get away from the war?

Secretary WILSON. Yes; there is no doubt about that. There is no difficulty as yet in finding voluntary assistance in regard to the returning soldier. It is not a difficult problem to find work for the returning soldier if he goes back to the same plant, or is willing to accept the same job that he had when he went into the war. Ninety-eight or ninety-nine per cent of the soldiers that come back under the same circumstances are reemployed by the same employer; but the soldier is not always willing to go back to the same plant and to the same job. He frequently wants something better than the one he had when he left, and in many instances he wants to go somewhere else rather than back home. When he wants to go somewhere else, he wants something better than he had when he left, and there is not the same sentiment relative to finding him a job that there is if he is willing to accept the same job that he had back again. Yet that man ought to be found a place that will be reasonably satisfactory to him, and will give reasonable satisfaction to the man who employs him. So there an agency is needed. It is needed for that; and that is true to a very much greater extent with the war worker. There is no sentimental question at all with the war worker, as there is a sentiment in which they agree, most of them, that they were fairly well paid for the work they did when they left their homes to take other employment; and so there is not the same sentiment in regard to them; yet it is necessary that we should find employment, not only for the reasons I have given, that the aggregate of production is in the interest of the entire community if it is large, and against the interest if small, but for this additional reason, that if the soldier who has fought the battles finds himself out of employment for any length of time, and if your war worker finds himself out of employment or any length of time, each immediately becomes the center of the attacks of the propagandists, who would undertake to destroy our system of government, and becomes ready prey to their philosophy; so, at least for the purpose of completing the demobilization of our Armies, and the demobilization of our war industries, there is a necessity for the continuation of this service.

Senator WALSH. May I ask, Mr. Secretary, what is the matter with extending the jurisdiction of your department, and yourself, so that you may carry on these employment agencies through your department?

Secretary WILSON. That is what we are asking for here. This is a branch of the Department of Labor.

Senator WALSH. But it establishes a new bureau, a new commission, with a director general, and you have not any control of the director general.

Secretary WILSON. Oh, yes; I would have control over him. I would have control over the director general just as I have control over the Commissioner of Labor Statistics who is appointed by the President by and with the consent of the Senate, as I have over the Commissioner of Immigration, who is appointed by the President by and with the consent of the Senate, and as I have over the chief of the Children's Bureau, who is appointed by the President by and with the consent of the Senate.

Senator WALSH. But the director is independent when he is appointed by a different man and removed by a different man, and he may differ from the policies, and not get along well together. In my opinion, he should be appointed by you and not by the President.

Secretary WILSON. As to that in its real practice, in its practical operations, it makes no difference whatever.

Senator WALSH. My experience as a public official—

Secretary WILSON (interrupting). This would not be a joint authority with me, but with him.

Senator WALSH. I have found that if you do not have the power of removal, it does make a difference.

Secretary WILSON. You know this, from your experience in public life, that if the President appoints, he will not appoint anyone in opposition to the judgment of the chief of the department in which the man is to operate; and if there comes a conflict of authority, it is just the same as if the conflict of authority existed where the appointive power is with the head of the department, and in 99 times out of a hundred the President would sustain his executive in that conflict of authority. There may be instances in which he would not, either where the appointment is made by the Secretary or where the appointment is made by the President. I do not look upon that as being at all material. We have gotten along with it, and all the other departments have gotten along, some of them from the foundation of the Government where the appointment of some of the subordinates has been made by the President and not by the executives, and to me it does not seem material.

Senator WALSH. Can you name any man, where the President has appointed him under similar circumstances?

Secretary WILSON. Oh, yes; the Commissioner of Labor Statistics, Dr. Meeker; the Commissioner of the Bureau of Immigration, at present occupied by Mr. Caminetti; the Chief of the Children's Bureau, at present occupied by Miss Lathrop; the solicitor for the department, a position within the Department of Justice but assigned to the Department of Labor and working under the jurisdiction of the Department of Labor, because of having been so assigned. We have had no difficulty in that respect, because the executive—the head of the department—is the ultimate authority, and there has never been a time in my experience when that authority has been denied or attempted to be overridden.

I take it the man who is of sufficient standing to justify his appointment to a position of that kind will either be willing to go along with the policies that are the policies adopted by the head of

the department, or, if he is not willing to adopt those policies, he should tender his resignation. The only important instant of a rebellion that I recall is that of the Secretary of War in the beginning of Johnson's administration.

The CHAIRMAN. We are very much obliged to you, Mr. Secretary, for coming here.

Secretary WILSON. Thank you, Mr. Chairman and gentlemen of the committee.

May I add one thought more? The interruption by a question on your part prevented me from making a fuller reply. It is as to the question with regard to the limitation of the personnel. This is an experiment. We are still in the experimental stage. I do not believe that it is advisable to lay down hard and fast lines relative to personnel at the time you are developing a new and important line of work which ought to be as completely efficient as it is possible to make it.

The CHAIRMAN. Can you tell how many employees you have in this particular branch, all told? Is there a list?

Secretary WILSON. As to the list, I could not—

Senator KENYON (interrupting). Mr. Densmore can give you all of that.

Secretary WILSON. Mr. Densmore can give you that. About one-half of our employees have been volunteer workers during the period of the war; the other half have been under compensation. The total number has been around 9,000, I believe.

STATEMENT OF CLARKSON DYE, PRESIDENT VOCATIONAL GUIDANCE SOCIETY OF CALIFORNIA, MEMBER SOCIETY FOR THE STUDY OF EMPLOYMENT PROBLEMS.

Mr. DYE. While any adequate consideration of the questions before you must embrace all classes, it may be found that my statements are pardonably colored by the effect of this legislation upon our returning soldiers, sailors, and marines, as well as civilian war workers. I am intensely convinced that any activities promulgated for the occupational well-being of our people will find their most needed outlet among these groups.

Last December a prominent public official made the following statement in Washington: "It is not enough to find our soldiers jobs; we must find them better jobs than they had before; if we haven't the jobs, we must make them." This was telegraphed abroad, and I read it while in France, in the Paris Herald. This newspaper had a wide circulation in the camps, and this statement was, no doubt, read by thousands of our soldiers, all over Europe where our men were then stationed.

Since the pending legislation referring to the establishment of a Federal employment service will affect the same soldiers who read this article, or who have been led by similar statements to expect the "better jobs" promised, I have alluded to this incident as reflecting their point of view in seeking employment upon discharge.

For the past six months I have been close to our men in France. I know them, and their mental attitude, because I have talked to many thousands of them, particularly upon this subject. It is because of this fact that I am interested in these bills as they affect the men with service stripes on their arms.

I am fully aware that this problem goes further than a concern over the welfare of the returning soldier and sailor, although I think all agree that the problem will revolve about these groups, and the civilian war worker for some time to come. Two-thirds of our soldiers have been discharged. On June 14 over 2,500,000 had left the service, of which 1,350,000 had come back from overseas. It is estimated that about 4,000,000 civilian war workers, men and women, have been discharged from their positions since the armistice was signed; these were employed in the 6,000 ordnance plants and myriads of factories engaged on war equipment for our Government's use. It must be realized that when the armistice came it was impossible for the majority of these to return to occupations which they had left; that at munition or war material fabrication they had acquired little or no skill which could be utilized in seeking new employment.

An official close to the employment situation on the Atlantic seaboard told me last week that he saw no menace ahead, in occupational readjustment. A few days ago, here in Washington, one who represents the interests of the largest employers of labor, said that there was plenty of work, that some communities were crying for help, would pay good wages, but were finding difficulty in filling their requirements. I wish I could believe that this placid condition actually obtained, and that a national contentment had supplanted war's terrors. But there is unrest in some quarters.

In visiting Camp Upton, near New York, where a large percentage of our soldiers are demobilized, I learned that 38.7 per cent of the men registered in one day last week as having no positions to go to. When I inquired as to the accuracy of this showing, I learned that the actual percentage was probably much higher, since some of the men were undoubtedly ill informed as to prospective employment and others were obviously disinclined to let it be known that no position awaited them.

Another typical cross section showing of one day's influx of soldiers, sailors, and marines—men of all types and occupations—in search of work at the reemployment bureau in New York on June 3 revealed that the average applicant amongst these groups was jobless 75 days. Amongst a lot of 348 men who were examined about a half had been out of work for six months, despite every effort to obtain employment; 42 per cent had been assigned jobs, and in many instances it was "any kind of a job." No follow-up plan was in vogue. Some idea of the varying occupations pursued at one time by the 348 men who were examined may prove of interest. There were amongst them 34 salesmen; 41 office clerks; 24 chauffeurs and auto truck drivers; 16 bookkeepers, accountants, and cashiers; 12 stenographers and typists; 19 shipping and stock clerks and packers; 10 machinists, tool and die makers; 6 auto mechanics and garage workers; 4 carpenters; 2 electricians; 7 pipe fitters and plumbers; 3 riveters; 6 shipbuilders; 1 printer; 5 farm hands and gardeners; 5 helpers and handy men at all trades; 1 boiler maker; 1 welder; 1 chef; 2 boot and shoe makers; 20 apprentices, all trades; 6 elevator operators; 1 stonemason; 1 dispatcher; 5 watchmen and guards; 25 common laborers.

The professional men included an export man, an accountant, purchasing agent, office manager, draftsman, interior decorator, traffic manager, musician, dentist, detective, hotel clerk, and shop foremen.

In one of the largest agencies an ex-soldier who had been graduated from our highest institutions and was formerly receiving \$300 a month in his profession as civil engineer, was offered a position at \$15 a week. This was after weeks of waiting, and he was advised to accept it since "it was a job anyhow." An expert accountant was similarly urged to accept a clerkship at \$50 a month, which was hardly sufficient to support his family of five.

During this investigation I was told by some of the large employment agencies that more than half of the returning soldiers, when questioned, expressed a desire to take up another occupation than that pursued prior to the war. It also developed that many soldiers and civilian war workers claiming to be mechanics or other skilled craftsmen, in registering for positions are later on found to be inefficient; they had merely worked at one or two of the operations attached to a particular trade. When invited to consider the opportunities in agriculture, not one in fifty seemed inclined to this pursuit, even those who had previously been engaged in it. A prominent shipbuilder told me lately that nearly 60 per cent of the hands he had taken on in the past few months were unsatisfactory. The men who went overseas were singularly changed upon their return; their vision is broadened; they have acquired a knowledge of civics and economics without textbooks; they have met comrades from all sections and have come back with a different viewpoint on life and its possibilities. With many, a spark of new ambition has been created, although without groundwork of education, training, or means to kindle the flame.

I can not but feel that in laying the basis for any comprehensive public employment plan, that the foregoing and many other factors should be reckoned with. In a perusal of the two bills introduced in the Senate and the House, certain fundamental elements underlying our national life have not been considered. The plan advanced in these bills only touches our crying needs in a superficial manner, nor makes for a new, constructive policy, now urgently demanded if we are to hold our own. No provision is evidenced for the wonderful, progressive national spirit that is predicted, that is bound to exhibit manifestations of tremendous import, sooner or later. We must not deceive ourselves, there is a feeling of unrest abroad in the land, emphasized by the control of industry by the Government, the administration of organized labor, the entrance of women into new types of work, the drawing of the color line, the policy toward immigration, the adjustments to war-made improvements in machinery, the aftermath of the war generally in a period of national readjustment to peace conditions.

Our returned soldiers will act like a leaven throughout the land, as other soldiers did after the Civil War. They will either build up or they will tear down, but whatever they do will not be done half way. If our Nation's leaders came from the Blue and the Gray after the Civil War, it must also be recalled that the hitherto unknown "tramp" came into being also, born of unrest and discontent, and infested our country in droves afterwards. A dangerous germ had entered the minds of many of our returning soldiers; he has been on the move ever since he enlisted; he has acquired a restlessness and impatience toward certain conventions that will not brook restraint.

Released from an authority that controlled his every act, these smoldering fires will either break out to serve or to destroy.

I have said that I "know" these men. This is one reason why I am concerned in these two bills. If their creative impulses are strangled we may properly expect to pay a heavy penalty. It must have expression. More than one American officer in France was killed by his own men, and it is this same type of passion that will grow out of discontent unless averted by intelligent foresight.

Maj. Gen. Leonard Wood a few days ago said:

When the soldiers come back to this country and find the "stay at home" occupying their positions, or in many cases, better ones, it is natural that they should be discontented. Many of the men who have returned are sick, both physically and mentally, and waiting, with nothing to do and finding on every hand radical orators only too willing to sow the seed of discontent, their minds are open to such propaganda.

In Chicago we have had to contend with a number of radical units, most of which were made up of discontented soldiers out of a job.

These bills for the establishment of a public employment agency in which it is designed that the Government shall cooperate with the several States are obviously inadequate to meet a serious situation. It would appear that the Nolan bill (H. R. 4305) was the outcome of a conference called by the Secretary of Labor in Washington on April 23, 24, and 25, 1919, and to which no associations of employers were invited, although a delegate from the American Federation of Labor was in attendance. We can not conceive of any harmonious plan unless all interests unite in it.

When England made plans for demobilization subcommittees, consisting of representatives of employers and employees in equal numbers, were set up in various communities to deal with the details in connection with special trades. It is to these bodies of experts that the individual ex-soldier applies in making personal application for assistance and advice. The "out-of-work donation policy" further provided for the soldier who had earned the gratitude of his country. This was payable and now is being paid for not more than 20 weeks in the year, and is in force only one year, and its benefits are on a graduated scale. When investigating this plan in England I found general satisfaction with it, only a few exceptions being noted.

Germany and things German generally are regarded by us with abhorrence, but a more satisfactory national placement system than that in practice there could hardly have been devised. As healing remedies are often extracted from the most repulsive sources, can we not profitably gain some lessons there?

We can also gain many helpful suggestions from the experiments made in our own country. In a study of the employment problem as it existed in Cleveland, Ohio, some years ago, and in the State of Massachusetts, I discovered evidences of methods which might well be incorporated into a national plan.

The cost of living in certain parts of our country had increased 55 per cent over prewar days a year ago, and it tops that figure today. This is the prime factor in determining the wages of the future. It must be considered in any plans we may contemplate.

I hope to see the scope of any Federal employment propaganda take cognizance of those obvious elements which make up the fabric of our social structure. I hope it will include—

(1) A Federal service.

(2) A cooperation of employers and employees, in the planning of the general scheme as well as local subcommittees, after the plan has been adopted.

(3) Local advisory boards, wherein public-spirited representatives of employers and employees, together with experts and other disinterested persons, shall (without pay) assist in the work, as has been done in England and Scotland.

(4) A follow-up system, to insure contentment on all sides.

(5) Careful investigation of both the job and the man who is to take the job before employment, thus saving both a possible dissatisfaction and lessening cost of labor turnover.

(6) That the investigation of the applicant shall include skillful vocational guidance. It is believed that the tradesman is entitled to have his ability determined and recognized and to have assistance in securing the position to which his degree of skill fits him. It is similarly believed that the employer is entitled to have some certification of the man referred to him, for any mismatching of the man and his job results in a loss to the man as well as to the employer and the community.

(7) The reference of all debatable matters to an equally represented local tribunal.

(8) Opportunities for vocational and cultural education amongst workers, to be encouraged by general and local committees.

More than one private organization is at this time engaged in formulating plans which include some of the features recommended. It would seem preferable to have any Federal scheme father them than otherwise. Many of the States have little or no conception of the national problem, and unless this is made of national scope it can be but partially successful.

A new era has come upon us. We are at a turning point in our national history. We can not stand still nor return to the old ways, the old abuses, the old stupidities. It is only by rising to the height of our enlarged vision of social duty that we can do justice to the spirit generated in our people by the long effort of common aspiration and common suffering. To allow this spirit to die away unused would be a waste compared to which the material waste of the war would be a little thing; it would be a national sin, unpardonable in the eyes of posterity. We stand at the bar of history for judgment, and we shall be judged by the use of this unique opportunity.

Unless any governmental employment system shall sense the potentialities that lie in our people and diligently strive to make the most of these it will fail in a duty which is apparent. I feel that this joint committee is to create the right kind of legislation, and my best wishes shall accompany its labors.

STATEMENT OF ADOLPH BRAND, SECRETARY OF THE EMPLOYMENT BUREAU OF THE JEWISH WELFARE BOARD, INDEPENDENT ORDER OF B'NAI B'RITH AND YOUNG MEN'S HEBREW ASSOCIATION.

The CHAIRMAN. Mr. Brand, will you give the reporter your name, whom you represent, and where you reside?

Mr. BRAND. Mr. Chairman, I am secretary of the employment bureau of the Jewish Welfare Board—the Independent Order of

B'nai B'rith (the latter is the only international Jewish order)—and the Young Men's Hebrew Association.

The CHAIRMAN. Where do you live?

Mr. BRAND. Washington, with offices at Eleventh and the Avenue.

Mr. BRAND. Mr. Chairman, I feel justified in speaking on behalf of this bill on account of my experience, having been field secretary of district No. 5 of the B'nai B'rith. Director Kline said to me, "I can tell you, Mr. Brand, if the appropriation asked for by the Secretary of Labor is not granted, and this bill does not become a law, we will have to close the doors by the 1st of the month, and you will have to go on with this work."

Now, Mr. Chairman, we have about 29 or 30 organizations co-operating with the Employment Service of the United States in this welfare work, and it will be a very great hardship for these organizations to go ahead with their work successfully. Those organizations are:

Woman's National Press Association: Mrs. Mary Wright Johnson, 1359 Fairmount Street.

Board of Trade: John Joy Edson, 915 F Street NW.

Chamber of Commerce: Robert N. Harper, 1406 G Street.

Merchants' & Manufacturing Association: Charles J. Columbus, Star Building.

Bankers' Association: Wm. T. Galliher, American National Bank.

Red Cross: John Dolph, Homer Building.

Y. M. C. A.: E. M. Davis, 1736 G Street.

Women's Clubs: Mrs. William Hitz, 1829 Phelps Place.

Y. W. C. A.: Miss Florence Brown, 619 Fourteenth Street.

Knights of Columbus: M. D. Schaefer, 518 A Street, SE.

Jewish Welfare Board, Independent Order B'nai B'rith, Y. M. H. A.: A. Brand, Eleventh and Pennsylvania Avenue.

War Camp Community Service: E. W. Bond, 1408 Pennsylvania Avenue.

Masonic Employment Service: D. W. Thayer, 225 John Marshal Place.

Military Service League: Maj. Fred S. Hodgson, 1321 Q Street, NW.

Central Labor Body: Thomas McGilton, 925 L Street.

Federated Citizens' Association: W. B. Westlake, Connecticut Avenue and Van Ness Place.

Vaughan Class: W. L. Ford, 126 V Street.

Civic Alliance (colored): Dr. D. E. Wiseman, 330 W Street.

Federated Citizens' Committee: Herman A. Phillips, 120 Washington Loan and Trust Building; John A. Saul, Fendal Building.

Community Labor Board: Robert L. Livingston, chairman, 3432 Lowell Street; Edward A. Lycett, employers; John Purcell, labor; Miss Bernadine Leshner, women employees.

District Council of National Defense: W. H. Baldwin, 1415 Twenty-first Street; Mrs. Archibald Hopkins, 1826 Massachusetts Avenue, NW.

Salvation Army: Commander A. J. Tilley, 930 Pennsylvania Avenue, NW.

American Legion: George L. Boyle, Southern Building.

Now, Mr. Chairman, we must have a clearing house for labor. What would become of an American banking institution without a clearing house? I have always termed the office of the Employment Service our clearing house, where the organizations meet semi-monthly—

The CHAIRMAN. Are you conducting an employment service?

Mr. BRAND. Yes, sir.

The CHAIRMAN. And you are conducting it for profit?

Mr. BRAND. No; there is no profit whatever. Our service is free to everyone.

Mr. MACCRATE. And you say that you have 29 agencies doing this work?

Mr. BRAND. Yes, sir; we do it free to the employer and to the employee.

Mr. MACCRATE. And did you do this before the establishment of the Employment Service—the Federal Employment Service?

Mr. BRAND. No; we did not; we just came in lately with the board of managers, which was established on December 18, 1918, and we have been working in cooperation with the United States Employment Service, and, Mr. Chairman and gentlemen of the committee, we have since that time placed 6,000 men at work in the District of Columbia. The head of this board of managers is the local Federal director, Mr. Edward M. Kline. He has his headquarters at 1410 Pennsylvania Avenue and one office at the Union Station and another in Alexandria.

Mr. MACCRATE. And he receives no pay for his work, did you say?

Mr. BRAND. Oh, yes; he is paid by the Department of Labor.

Mr. MACCRATE. And you are under his direction?

Mr. BRAND. Under his direction? No. We only come together semimonthly for information.

Mr. MACCRATE. And is Mr. Kline the only man that you consult with?

Mr. BRAND. We consult with each other, i. e., the 30 civic organizations, and Mr. Kline is only at the head of the Federal office.

Senator WALSH. Are you connected with the Young Men's Hebrew Association all over the country, the national association?

Mr. BRAND. No; I am only in charge of the employment office in the city of Washington.

The CHAIRMAN. When did you first commence this operation? You say that the first place—

Mr. BRAND. Mr. Chairman, the board of managers was organized on December 21, 1918, and to June 1 we have placed 6,000 men.

The CHAIRMAN. Could you put a statement in here as to the number of places you have furnished each month?

Mr. BRAND. No.

The CHAIRMAN. Can't you write up a little statement showing what you have placed?

Mr. BRAND. I will bring it to you.

The CHAIRMAN. Don't you keep a record of what you place?

Mr. BRAND. Yes; but I can not give it by heart.

The CHAIRMAN. I do not mean offhand; but can you not give us a list of those you have placed each month—the number that you have placed each month—and hand them to the stenographer?

Mr. BRAND. I will give you only a few of them now. In the month of May was 839, and the week ending June 7, 1919, we placed 292.

(The statement referred to was thereafter furnished and is printed in full, as follows:)

Four-week period ending—	Registra- tions.	Place- ments.
Dec. 28, 1918.....	512	426
Jan. 25, 1919.....	731	788
Feb. 21, 1919.....	744	611
Mar. 29, 1919.....	1,205	901
Apr. 26, 1919.....	975	974
May 31, 1919.....	1,214	1,066
June 21, 1919.....	980	882
Total registrations.....	6,361	5,668
Total placements in District of Columbia.....	5,668	.....
Not placed.....	693	.....

The above registrations and placements are the figures of the United States Employment Service of the local office for the District of Columbia, in cooperation with the board of management for returning soldiers, sailors, and marines, since the establishment of the said board of managers, i. e., December 21, 1918, up to June 21, 1919.

The CHAIRMAN. You have placed those here working in the District of Columbia?

Mr. BRAND. Yes, in the District of Columbia, and surrounding places.

Mr. MACCRATE. What kind of work do they do?

Mr. BRAND. Oh, I can not tell you; there are so many occupations.

Mr. MACCRATE. And they are all Jewish, these workers that you have placed?

Mr. BRAND. Oh, no. In fact, of those I have placed I think that fully seven-eighths were Christians.

Senator KENYON. You are doing work along the same lines as the Y. M. C. A. and those other organizations?

Mr. BRAND. Yes, sir.

Senator KENYON. And you receive your salary from the Jewish Association?

Mr. BRAND. Yes, sir.

The CHAIRMAN. Tell us how you will have to quit work if the appropriation is not made.

Mr. BRAND. It will be a very great hardship in case Uncle Sam does not give the money, and the United States service must close its doors.

For instance, a personal friend came to me, and he said to me, "Brand, give me two men, as you know the line of my business." I asked him, "What is the nature of the work?" and he said, "One is for the office, an assistant bookkeeper, and the other to fill orders." I promised to give him the men in a day or two.

I telephoned over to Mr. Kline, and he sent to me the next day the two men, and they are employed, and are working there to-day.

Senator KENYON. You are in favor of this bill, are you, Mr. Brand?

Mr. BRAND. I am in favor of this bill. I not only favor it, but I want to see you make it permanent, because the more jobs you provide the less crime you will have.

Senator KENYON. But you are in favor of this bill?

Mr. BRAND. Yes, sir; I am in favor of this bill.

If you discontinue this present Employment Service, it will add to the present unrest and lawlessness which is going on at the present time in this country.

The CHAIRMAN. Who furnishes the money to run your establishment?

Mr. BRAND. The B'nai B'rith.

Mr. MAHER. And if this Federal Employment Service is not continued it will seriously affect the effectiveness of your department, and you represent the Jewish race entirely?

Mr. BRAND. Yes, sir.

(Thereupon, at 12 o'clock noon, an adjournment was had until 10 o'clock the following day, June 21, 1919.)

NATIONAL EMPLOYMENT SYSTEM.

SATURDAY, JUNE 21, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m., in room 201 Senate Office Building, Hon. James C. Smith presiding.

Present: Senator Kenyon; Representatives Smith (chairman), Gould, Casey, Maher, Bland, Carss, Hersey, and Watson.

The CHAIRMAN. The meeting will come to order. The time has arrived to which the meeting adjourned yesterday, and some of the witnesses being present, we will proceed with the hearing.

Will you, Mr. Smyth, give the stenographer your name, your residence, and your official position, if any?

STATEMENT OF HON. NATHAN A. SMYTH, FORMER DIRECTOR GENERAL OF THE UNITED STATES EMPLOYMENT SERVICE.

Mr. SMYTH. My name is Nathan A. Smyth. I reside in New York City. I was connected with the Employment Service, practically, from its inception in its present form, and in the middle of the summer I was appointed assistant director general of the United States Employment Service. In about February of this year, the war being over, I had to resume my private work, and I went back to New York, having resigned from my position, but in resigning I stated that I would perform whatever services that I could; that I would be very glad to give two or three days now and then at only nominal pay. My resignation was not accepted at the time, and I served as assistant director general until about a week ago, when my affairs in New York City became so very pressing that I had to insist that the resignation be accepted.

However, my heart and soul are with the subject, and I am very glad to be here to say whatever I can for it.

The CHAIRMAN. You understand that the purpose of this hearing is to consider a bill to have established a permanent Federal Employment Service in the Department of Labor?

Mr. SMYTH. I do; yes, sir.

The CHAIRMAN. Under a statutory law.

Mr. SMYTH. I do; yes, sir. I was instrumental in the drafting of the bills which were submitted by the Department of Labor. I had

given for three or four months a good deal of study to this problem, and I attended the conference, and when the conference was held at which the suggestions were formulated which were transmitted by the Secretary of Labor I was requested to be present and take part in that conference, and was put on a subcommittee and took part in the meetings of the subcommittee which took charge of the drafting of the bill, and took part in the drafting of the bill which was adopted at that conference and which has been submitted here as the Nolan bill in the House of Representatives and the Kenyon bill in the Senate, and it was for those reasons that I attended the conference and had studied the whole problem that animated Mr. Densmore in asking me to be here at this time.

The CHAIRMAN. Have you in mind at this time the number of people who were present at that conference?

Mr. SMYTH. Well, there has been so much misleading information as to who was at that conference that I have brought the minutes, and the first three pages of it I offer in evidence and will ask to be printed.

The CHAIRMAN. Without objection, that permission will be granted.

Mr. SMYTH. This conference was called by the Secretary of Labor, requesting the governors of the various States to send representatives to confer with the representative of the Employment Service and others concerning a constructive program.

The CHAIRMAN. Were all of the States invited, Mr. Smyth?

Mr. SMYTH. Yes, Mr. Chairman; all of the States were asked at that time, and there were 30 representatives appointed by the governors. There were 24 State directors of the United States Employment Service. Four of the representatives appointed by the governors were also State directors of the Employment Service. For instance, in the State of Georgia the governor asked our director to attend, not as representing us but as representing him. There was also present a representative of the American Federation of Labor; the United States Chamber of Commerce was requested, as representing the employers, to send a representative to that conference, and a representative of the United States Chamber of Commerce attended that conference. Also, the National Manufacturers' Association requested permission—as I understand it, from Mr. Densmore—to be allowed to have a representative there at that conference, and they were requested to have a representative at that conference, and a representative of the National Manufacturers' Association attended the conference.

Mr. CASEY. What was the date of the conference, Mr. Smyth?

Mr. SMYTH. The date of the conference was April 23, April 24, and April 25.

Mr. CASEY. What year?

Mr. SMYTH. Of this year—1919.

Mr. CASEY. Where was the conference held?

Mr. SMYTH. It was held here in Washington.

Mr. CASEY. And were the proceedings published?

Mr. SMYTH. The proceedings were published; that is, the reports were made by the reporters who were present, and were published so far as the newspapers would actually publish them.

The CHAIRMAN. Did the department have a report of the proceedings made?

Mr. SMYTH. The Department of Labor took minutes of the proceedings, which I have here, and they were sent to all of the representatives of the Government and others who were present. Do you care to have the whole minutes in?

Senator KENYON. How long are they?

Mr. SMYTH. There are 28 pages to the report, and the report contains a full text of one or two tentative drafts of bills, which were rejected.

Senator KENYON. I have no objection to it going into the record here.

The CHAIRMAN. Permission is granted to have the entire report printed in toto, and to go into the record at this point.

(The report above referred to is printed, as follows:)

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, April 28, 1919.

Minutes of the conference on employment called by W. B. Wilson, Secretary of Labor, to meet in Washington April 23, 24, and 25, 1919.

The call of the Secretary of Labor, addressed to the governors of all the States, was as follows:

"A conference will be held on April 23, 24, and 25 in Washington with the Secretary of Labor, the Director General United States Employment Service, and the representatives of the States, to discuss the subject of a National Employment Service in cooperation with States and municipalities, and to project a program for legislation."

"The purpose of the conference will be to define and establish the most effective form of relationship between National and State employment activities and in general agreement bring out a definite objective toward which all my work to the end that a thorough and comprehensive public employment service may be permanently established."

"In order that there may be a full discussion and the views of each State presented, you are invited to send a representative to this conference. In view of the importance of the subject and the necessity for prompt action thereon, may I urge that you designate some one to attend the conference and advise me by telegraph?"

"The conference will be held in the United States Employment Service Building, Nineteenth and D Streets NW., Washington, D. C., beginning promptly at 10.30 a. m. April 23."

The delegates to the conference were as follows:

J. B. Carrington, Anniston, Ala., representing Gov. Killby.

John P. McLaughlin, State labor commissioner, representing Gov. Stephens, of California.

James R. Nolan, secretary of State, of Denver, Colo., representing Gov. Shoup.

A. D. Warner, president chamber of commerce, Wilmington, Del., representing Gov. Townsend.

W. W. Phillips, State representative, representing Gov. Catts, of Florida.

P. E. Glenn, Atlanta, Ga., representing Gov. Dorsey.

Barney Cohen, State director of labor, Springfield, Ill., representing Gov. Lowden.

Prof. F. S. Delbier, State general advisory board, representing Gov. Lowden, of Illinois.

J. H. Crawford, State commissioner of labor, Topeka, Kans., representing Gov. Allen.

Lynn R. Meekins, of Baltimore, Md., representing Gov. Harrington.

Charles F. Gettemy, State commissioner of labor statistics, representing Gov. Coolidge, of Massachusetts.

Hon. Key Pittman, United States Senator, representing Gov. Boyle, of Nevada.

Charles V. Stafford, representing Gov. Pankey, of New Mexico.

Bernard L. Shientag, representing Gov. Smith, of New York.
 John G. Agar, chairman committee on unemployment, New York.
 State reconstruction committee, representing Gov. Smith.
 Mr. Moses, New York, State reconstruction committee, representing Mr. John G. Agar.
 Hon. Frank R. McNich, mayor of Charlotte, N. C., representing Gov. Bickett.
 Hon. J. M. Baer, Congressman, representing Gov. Frazier, of North Dakota.
 T. J. Duffy, chairman State industrial commission, representing Gov. Cox, of Ohio.
 W. H. Fitzgerald, Portland, Oreg., representing Gov. Wolcott.
 John D. Frost, assistant adjutant general, representing Gov. Cooper, of South Carolina.
 George Dixon, representing Gov. Norbeck, of South Dakota.
 George H. Auerback, member council of defense and chairman employment committee, representing Gov. Bamberg, of Utah.
 C. R. Keilley, executive secretary, State council of defense, Richmond, Va., representing Gov. Davis.
 John Hirschberg, State commissioner of labor, Richmond, Va., representing Gov. Davis.
 L. L. Westfall, representing Acting Gov. Hurt, of Washington.
 J. L. Pauley, secretary State federation of labor, Charleston, W. Va., representing Gov. Cornwell.
 Harry C. Hoffman, State commissioner of labor, representing Gov. Carey, of Wyoming.
 William T. Boyce, Federal director, Employment Service, for California.
 Rody Kenenhan, Federal director, Employment Service, for Colorado.
 David Elder, acting Federal director, Employment Service, for Connecticut.
 S. P. Doherty, Federal director, Employment Service, for Delaware.
 H. M. Stanley, commissioner of commerce and labor and Federal director, Employment Service, of Georgia, representing Gov. Dorsey.
 P. L. Prentis, Federal director, Employment Service, for Illinois.
 J. Will Kelley, Federal director, Employment Service, for Kansas.
 Pratt Dale, Federal director, Employment Service, representing Gov. Black of Kentucky.
 Charles S. Hichborn, Federal director, Employment Service, for Maine.
 E. F. McCrady, assistant Federal director, Employment Service for Massachusetts.
 W. W. Brown, Federal director, Employment Service, for Missouri.
 Scott Leavitt, Federal director, Employment Service, for Montana.
 Col. Lewis T. Bryant, State commissioner of labor and Federal director, Employment Service, for New Jersey, representing Gov. Edge.
 Dean George W. Kirchwey, Federal director, Employment Service, for New York.
 Dr. George J. Ramsey, Federal director, Employment Service, for North Carolina.
 C. H. Mayhugh, acting Federal director, Employment Service, for Ohio.
 Claud E. Connally, State commissioner of labor and Federal director, Employment Service, for Oklahoma, representing Gov. Robertson.
 Wilfred F. Smith, Federal director, Employment Service, for Oregon.
 Harry L. Parks, acting Federal director, Employment Service, for Pennsylvania.
 Joseph T. Ware, Federal director, Employment Service, for Tennessee.
 H. W. Lewis, State labor commissioner and Federal director, Employment Service, for Texas.
 James B. Betts, Federal director, Employment Service, for Virginia.
 Lawrence Wood, Federal director, Employment Service, for Washington.
 George P. Hembrecht, chairman, State industrial commission, and Federal director, Employment Service, for Wisconsin.
 W. C. Roberts, representing Samuel Gompers, American Federation of Labor, Washington, D. C.
 E. J. Davidson, United States Chamber of Commerce, Washington, D. C.
 Fred C. Croxton, formerly chief statistics, State industrial commission, and Federal director, Employment Service, for Ohio.
 George F. Miles, chief statistician, State industrial commission of Ohio.
 James H. Evans, Central Bureau Planning Statistics, Washington, D. C.
 Dr. Royal Meeker, Commissioner Bureau of Labor Statistics, Department of Labor, Washington, D. C.

John B. Densmore, director general Employment Service; Nathan A. Smyth, assistant director general, Employment Service; William E. Hall, acting assistant director general, Employment Service.

Mrs. Margaret Neale, assistant to director general for women's work, Employment Service.

Wade H. Skinner, director Organization Division, Employment Service.

Edward Easton, jr., assistant director, Operation Division, Employment Service.

A. D. Chiquoine, jr., director Information Division, Employment Service.

S. W. Mason, acting director Control Division, Employment Service.

J. L. McGrew, acting director general Employment Service, and secretary of the conference.

M. A. Coykendall, director Farm Service Division, Employment Service.

MOBING SESSION, WEDNESDAY, APRIL 23, 1919.

Meeting was called to order at 10.30 a. m. by W. E. Hall, acting assistant director general, who said that the conference would be opened by a statement from the director general, whom he then introduced.

Mr. Densmore then extended a welcome to the delegates on behalf of the Secretary of Labor, who was unavoidably absent at the opening session of the conference, and invited and urged each one present to participate fully in the discussion that was to follow. He stated that after thorough and general discussion it was his intention to have a committee appointed to draft a proposed bill that would meet with the approval of the delegates.

At the conclusion of his remarks Mr. Densmore requested that Mr. Fred C. Croxton, of Ohio, take the floor and start the discussion.

Mr. Croxton read a draft of a tentative bill which had been drawn by a small committee of employment experts, of which he was a member, which he emphasized was purely tentative and was placed before the conference simply as a suggestion to form the basis of discussion. The bill was as follows:

"A BILL To provide for the welfare of industry and workers, through the establishment of a system of free public employment offices, and for other purposes.

"Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That in order to encourage and aid in establishing free public employment offices for the purpose of furnishing information to workers seeking employment and employers seeking workers, there shall be created in the Department of Labor the United States Employment Service. It shall be in charge of a director general, who shall be appointed by the President.

"There shall also be appointed in such service such assistants and other employees in the District of Columbia and elsewhere as are necessary to carry out the purposes of this act.

"Sec. 2. That it shall be the province and duty of the said service to establish and maintain, under the direction of the Secretary of Labor, a national system of employment offices, maintained so far as possible in cooperation with States, municipalities, and other political subdivisions, whereby employers may be supplied with workers, and workers may be supplied with opportunities for profitable employment.

"Sec. 3. That for the purpose of encouraging and aiding the establishment and maintenance of free public employment offices under Federal supervision by States, municipalities, or other political subdivisions, the director general, with the approval of the Secretary of Labor, may enter into cooperative agreements with any State, municipality, or other political subdivision for the establishment and maintenance of such offices. Under such agreements, the Secretary of Labor may pay, from any funds appropriated for the purpose of this act, any part or the whole of the expenses of executing such agreement or agreements, not exceeding, however, the amount allotted to such State, as hereinafter provided: *Provided*, That all such agreements shall be made conditional upon compliance with the rules and regulations which may be issued under the authority of this act by the Director General of the United States Employment Service with the approval of the Secretary of Labor.

"Sec. 4. Whenever the total sum of money appropriated by any State, including appropriations from municipalities and other political subdivisions for the establishment and maintenance of free public employment offices, operating

under the supervision of a State system, shall equal or exceed the amount allotted by the Secretary of Labor to be expended during the current fiscal year, in such State as hereinafter provided, it shall be the duty of the Secretary of Labor forthwith to certify such facts to the Secretary of the Treasury, who shall thereupon pay over to the properly designated official of such State a sum equal to the amount appropriated by such State, including amounts appropriated by municipalities and other political subdivisions, for the fiscal year, or the balance thereof, as shown by the certificate of the Secretary of Labor: *Provided*, That in no case shall a greater sum be certified to any State than the amount allotted according to population, as hereinafter provided: *Provided further*, That the money shall be certified conditional upon compliance by the State system of free public employment offices with such uniform rules and regulations as may be issued under the authority of this act by the director general, with the approval of the Secretary of Labor.

"SEC. 5. That for the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated out of any money in the Treasury, not otherwise appropriated, the sum of ——— for the fiscal year ending June 30, 1920. Of this amount, the sum of not to exceed ——— shall be available for the purpose of administering and supervising, under the direction of the director general, including the paying of the salaries of the officials and assistants of such office and other expenses as the director general may deem necessary to the execution and administration of this act.

"That the balance of such appropriation shall be allotted to each State in the proportion which its population bears to the total population of the United States, not including outlying possessions, according to the last preceding United States census, for the purpose of establishing and maintaining a system of free public employment offices.

"SEC. 6. That on or before the 30th day of June, of each year, the Secretary of Labor shall certify to the Secretary of the Treasury the amount which each State is entitled to receive under the provisions of this act. If any State becomes entitled to receive such funds under the provisions of this act at any time after the 30th of June, in any year, the Secretary of Labor shall forthwith certify the facts concerning such State to the Secretary of the Treasury who shall thereupon pay over to the duly authorized official of this State the balance of the amount allotted by the Secretary of Labor to be expended in such State during the current fiscal year.

"SEC. 7. That all appropriations and unexpended balances of appropriations made to enable the Secretary of Labor to conduct a War Emergency Employment Service and to advance to wage earners transportation to such places as may be deemed necessary for the purpose of securing employment in connection with the prosecution of the war, are hereby extended and made available for the United States Employment Service provided for in this act.

"SEC. 8. That the Postmaster General is hereby authorized and directed to extend to the United States Employment Service the use of post office and postal facilities and the said service is authorized to use the post office and postal facilities, including the franking privilege, for itself and for all free public employment offices operated by it under cooperative agreements made by it as heretofore provided, or by States to which funds appropriated by or under this act are turned over as herein provided.

"SEC. 9. That the director general with the approval of the Secretary of Labor, is hereby authorized to make rules and regulations carrying out the provisions of this act."

A general discussion of the tentative draft was then engaged in by Messrs. Ware, Evans, Leavitt, Kenehan, Connally, Phillips, Kelley, Noland, Hall, Skinner, Densmore, Keilley, Frost, Gettemy, Meeker, Lewis, Kirchway, and Delbler.

During the discussion, Mr. Densmore made it clear that no particular bill and no exact language that the bill should contain is backed or insisted upon by the administration offices of the Employment Service, but that the draft of bill before the conference was prepared solely for the purpose of forming a basis for discussion.

The conference adjourned for luncheon from 1 to 2 p. m.

AFTERNOON SESSION, WEDNESDAY, APRIL 23.

The conference reconvened at 2 p. m., with Mr. Croxton in the chair. Dr. Meeker explained the Canadian act authorizing an employment system, and distributed copies of the monthly review of labor statistics containing a summary of the act.

Hon. J. M. Baer, Member of Congress from North Dakota, addressed the conference, stating that he was strictly in favor of some sort of employment service, and that his view was that the States should maintain their sovereignty and complete autonomy so far as possible, but that there should be a central office, so that there should be the same unity of purpose that was in evidence in this respect in winning the war.

Chairman Croxton then completed the reading of the tentative bill and explained the ideas in the minds of those who drafted same. During and after the reading of the bill, the general discussion continued and was participated in by Messrs. Meeker, Baer, Lewis, Gettemy, Hichborn, Noland, Brown, Delbler, Ramsey, Phillips, Leavitt, and Connally.

During the discussion, Mr. Densmore called attention to the difference between the conditions that obtained in States wherein the Federal and State Governments could cooperate and in those States which had no State agency. He expressed the opinion that in any system adopted, no State should be left out of the program.

At 3.10 p. m., Mr. Croxton relinquished the chair, as he had to leave the conference to keep a previous engagement. Mr. Densmore then took the chair and general discussion continued. Among those who participated were Messrs. Roberts, Wood, Leavitt, Phillips, Kenehan, Crawford, Frost, Kelley, Bryant, and McGrady.

It was regularly moved, seconded, and adopted that the Chair appoint a suitable committee to draft a tentative bill in the aims and needs of the United States Employment Service, and report back to the conference by 11 a. m. Thursday. The Chair stated that the conference would adjourn for five minutes, at the end of which time the committee would be announced.

On reconvening, the Chair named the following committee to prepare the draft of bill:

Name.	State.	Title.
H. W. Lewis.....	Texas.....	Federal director.
John P. McLaughlin.....	California.....	Do.
William T. Boyce.....	do.....	Do.
F. S. Delbier.....	Illinois.....	On general advisory board.
F. L. Prentiss.....	do.....	Federal director.
E. F. McCrady.....	Massachusetts.....	Representing Federal director.
George F. Miles.....	Ohio.....	Chief statistician, State Industrial Commission.
C. H. Mayhugh.....	do.....	Acting Federal director.
W. W. Phillips.....	Florida.....	Representing Gov. Catts.
George W. Kirchwey.....	New York.....	Federal director.
Charles F. Gettemy.....	Massachusetts.....	Representing Gov. Coolidge.
Lewis T. Bryant.....	New Jersey.....	Federal director, representing Acting Gov. Hart.
Royal Meeker.....	Washington, D. C.....	Commissioner of Labor Statistics.
C. R. Kelley.....	Virginia.....	Executive secretary, State Council of Defense.

Thereupon the conference adjourned until 11 a. m. Thursday, April 24.

MORNING SESSION, THURSDAY, APRIL 24.

The conference convened at 11 a. m., with Mr. Densmore in the chair.

Mr. Densmore stated that the committee appointed to prepare the draft of bill was not yet ready to make its report, whereupon the conference adjourned until 2.30 p. m.

AFTERNOON SESSION, THURSDAY, APRIL 24.

The conference met at 2.30 p. m. Mr. Densmore, the chairman, called for a report from the chairman of the committee on preparation of the draft of a bill.

Dr. Meeker, chairman of the committee, reported the following tentative draft of bill and explained certain of its provisions when called upon to do so:

AN ACT To provide for a national employment system, to provide for cooperation with the States in the promotion of such system, and to regulate the expenditure of moneys that shall be appropriated for such purposes.

SECTION 1. That in order to promote the establishment and maintenance of public employment offices for men, women, and juveniles seeking employment and for employers desiring workers there shall be created in the Department of

Labor a bureau of employment. It shall be in charge of a director general, who shall be appointed by the President. An advisory board consisting of three representatives of employing interests, three representatives of workers, and three representatives of the public shall also be appointed by the President to aid and advise the director general in working out standards and policies for the operation of the employment system: *Provided*, That not less than three members of said board shall be women. The members of this advisory board shall receive compensation only for the expenditures actually incurred for transportation and subsistence in the performance of their duties. The advisory board shall meet regularly once each quarter at a place to be named by the board and upon call by the director general, the chairman of the board, or a majority thereof. There shall also be appointed in said bureau such assistants and other employees as are necessary to carry out the purposes of this act.

SEC. 2. That it shall be the province and duty of the said bureau, under the direction of the Secretary of Labor, to establish and maintain a system of employment offices in the States which do not maintain an employment service, and in States which do maintain such a service to aid, as hereinafter provided, in the development thereof, and, in addition, to coordinate the public employment offices throughout the country by furnishing information as to labor conditions by maintaining a system for clearing labor between the several States and by establishing and maintaining a uniform policy and procedure.

SEC. 3. Whenever the total sum of money appropriated by any State, including appropriations from municipalities and other political subdivisions for the establishment and maintenance of public employment offices operated as a State system shall equal or exceed the maximum amount heretofore appropriated in any year by such State, including appropriations from municipalities and other political subdivisions: *Provided*, That such sum shall equal twenty-five per cent of the allotment based upon population; or if no such appropriation has heretofore been made by or in a State, if such State shall appropriate a sum of money for such purpose equal to twenty-five per cent of the allotment according to population as hereinafter set forth: *Provided further*, That no such State be entitled to such allotment unless its appropriation shall be at least \$5,000, it shall be the duty of the Secretary of Labor forthwith to certify such facts to the Secretary of the Treasury, who shall thereupon pay over to the State treasurer of such State a sum equal to the amount appropriated by such State, including amounts appropriated by municipalities and other political subdivisions, for the fiscal year, or the balance thereof, as shown by the certificate of the Secretary of Labor: *Provided*, That in no case shall a greater sum be certified to any State than the amount allotted according to population, as hereinafter provided: *Provided further*, That the money shall be certified conditional upon compliance by the State system of public employment offices with such uniform rules and regulations as may be issued under the authority of this act by the director general with the approval of the Secretary of Labor.

SEC. 4. That for the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of \$4,000,000 for the fiscal year ending June 30, 1920. Of this amount a sum not to exceed \$400,000 shall be available for administrative expenses, including salaries of the officials and assistants and such other expenses as are necessary for carrying out the provisions of this act; the balance of such appropriation to be allotted to each State in the proportion which its population bears to the total population of the United States, not including outlying possessions, according to the last preceding United States census, except as provided in section 3.

SEC. 5. That on or before the 30th day of June of each year the Secretary of Labor shall certify to the Secretary of the Treasury the amount which each State shall be entitled to receive under the provisions of this act. If any State shall become entitled to receive such funds under the provisions of this act at any time after the 30th of June in any year, the Secretary of Labor shall forthwith certify the facts concerning such State to the Secretary of the Treasury, who shall thereupon pay over to the State treasurer of such State the amount to which such State shall be entitled under the provisions of this act.

SEC. 6. That all appropriations and unexpended balances of appropriations made to enable the Secretary of Labor to conduct a War Emergency Employment Service and to advance to wage earners transportation to such places as

may be deemed necessary for the purpose of securing employment in connection with the prosecution of the war, are hereby extended and made available for the United States Employment Service, provided for in this act.

Sec. 7. That the Postmaster General is hereby authorized and directed to extend to the system of employment offices operated in conformity with the provisions of this act and under the rules and regulations of the Bureau of Employment, the use of post office and postal facilities, and the said employment offices are authorized to use the post office and postal facilities, including the franking privilege, for itself and for all free public employment offices operated by it under cooperative agreements made by it as heretofore provided or by States to which funds appropriated by or under this act are turned over as herein provided.

Amendments to the bill were proposed or views concerning it were expressed by the following delegates:

Messrs. Ramsey, Gettemy, Hambrecht, Leavitt, Kenehan, Shientag, Cohen, Kirchwey, Fitzgerald, Boyce, McLaughlin, Roberts, Noland, Brown, McGrady, Crawford, Wood, Diebler, Keilly, Connally, Smyth, Hall, Coykendall, Pauley, Dixon, Westfall, and Frost.

Col. Bryant suggested that the draft of the bill be referred to a subcommittee of the general committee appointed to draft it, and that Mr. Densmore, Mr. Smyth, and Mr. Hall be asked to sit with the subcommittee. This suggestion was adopted.

At 5.45 the conference adjourned to meet at 10 o'clock Friday morning.

MORNING SESSION, FRIDAY, APRIL 25.

The conference convened at 10.30 a. m., with Mr. Densmore in the chair. The chairman stated that the Secretary of Labor would arrive at the conference at about 11 o'clock and that the subcommittee to whom the draft of bill had been referred was still deliberating upon that matter. In the meantime, he suggested that the informal discussion be continued. He read for the information of the delegates a tentative draft of bill prepared some months ago by Mr. Smyth and himself, and also the Nolan bill, which had been before Congress since 1915.

Mr. Densmore then requested Mr. Pratt Dale, of Kentucky, to preside. Mr. Dale said that in addition to being Federal director of the State, he also represented the governor of Kentucky.

General discussion of the matters under consideration was engaged in by Messrs. Wood, Coykendall, Lewis, Ramsey, Roberts, McLaughlin, Connally, Crawford, Miles, Frost, and Bryant.

Mr. C. L. Taylor, camp representative at Camps Taylor and Knox, addressed the conference concerning the vital importance of maintaining an efficient organization to make special efforts to provide employment for returning soldiers and sailors.

Mr. Densmore resumed the chairmanship and introduced Hon. W. B. Wilson, Secretary of Labor, who addressed the conference. A copy of his address is hereto attached. At the conclusion of Secretary Wilson's address, the conference adjourned until 2.30 p. m.

AFTERNOON SESSION, FRIDAY, APRIL 25.

Conference called to order by Mr. Densmore at 2.30 o'clock. He stated that the committee was ready to present an outline of a bill to provide for a national employment system and requested Dean Kirchwey to read same. Mr. Kirchwey then proceeded to read the outline of the bill as prepared by the subcommittee, and a discussion of its provisions ensued.

Those making inquiries or otherwise participating in the discussion were Messrs. Meeker, Kenehan, Keiley, Miles, Mayhugh, Roberts, Dale, Kirchwey, Lewis, Smyth, and Hambrecht.

Inasmuch as the discussion engaged in related principally to the question of an advisory board, an amendment to the first paragraph of the outline of the bill was unanimously adopted, so that the second sentence in paragraph 1 of the outline would read as follows:

"It shall be managed by a director general who shall be appointed by the President, and to assist in working out standards and policies for the operation of the employment system of the Nation an advisory board may also be appointed by the President."

Thereupon it was regularly moved and seconded that the outline of bill to provide for a national employment system be adopted as amended. On putting the motion, it was unanimously adopted, Mr. Kenehan first voting in the negative and then asking that his vote be changed to the affirmative. The outline of bill to provide for a national employment system as unanimously adopted by the conference is as follows:

1. The U. S. Employment Service shall be continued as a permanent bureau in the Department of Labor to promote the establishment and maintenance of public employment offices for men, women, and juniors. It shall be managed by a director general, who shall be appointed by the President, and to assist in working out standards and policies for the operation of the employment system of the Nation an advisory board may also be appointed by the President. A woman assistant director general shall be appointed by the Secretary of Labor to have general supervision of all matters relating to the employment of women, and there shall be such other assistants and employees in the District of Columbia and elsewhere as shall be necessary to carry out the purposes of the act.

2. It shall be the province and duty of the said bureau, under the direction of the Secretary of Labor, to establish and maintain a system of employment offices in the States which do not maintain an employment service, and in the States which do maintain an employment service to aid as hereinafter provided in the development thereof, and in addition to coordinate the public employment offices throughout the country by furnishing information as to labor conditions, by maintaining a system for clearing labor between the several States, and by establishing and maintaining a uniform policy and procedure.

3. For the use of the service there shall be appropriated annually a sum of money, from which a specified amount may be used by the Secretary of Labor for maintaining the offices and staff of the director general, offices for clearing labor between the States, and for inspection forces; of the balance of the appropriation, so much as shall be necessary shall, in the discretion of the Secretary of Labor, be allotted among the States on the basis of their respective populations, the unexpended balance remaining after such allotment has been made to be expended, in the discretion of the Secretary of Labor, as shall be required where necessary to supplement the service maintained in the several States.

4. When any State has made or shall hereafter make an appropriation for the maintenance of a public employment service under State control, and which is maintaining or is prepared to maintain such an employment service in cooperation with the Federal Government, there shall be paid to the treasurer of such State, upon certificate by the Secretary of Labor, for the benefit of the State employment system an amount not exceeding the allotment for the State, and equal to the amount which is appropriated by the State and its local subdivisions for such purpose: *Provided*, That the amount so appropriated shall not be less than 25 per cent of the allotment on the basis of population made to such State nor less than the amount expended by such State for public employment offices in the year 1918, such payment to be conditional upon the conduct of the State employment system in accordance with uniform rules and regulations and with the standards of efficiency prescribed by the director general, with the approval of the Secretary of Labor.

5. During a period of two years the Secretary of Labor shall have authority to spend so much of the sum apportioned to the States as he may deem necessary in the respective States, as follows:

(a) In States where there is no State employment service, in establishing and maintaining a system of public employment offices.

(b) In States where there is a State system of public employment offices, but which are not entitled to receive Federal funds under the provisions of paragraph 4, in maintaining a cooperative State and Federal system of public employment offices, which shall be maintained by such officer or board and in such manner as may be agreed by and between the governor of the State and the Secretary of Labor.

6. That provision shall be made providing for the extension to the system of employment offices operated in conformity with the provisions of this bill and under the rules and regulations of the United States Employment Service the use of post office and postal facilities, including the franking privilege.

It was regularly moved, seconded, and carried that, if requested to do so by the Secretary of Labor, the subcommittee that prepared the outline of the bill just adopted be authorized to meet with Messrs. Densmore, Smyth, and Hall and in conjunction therewith to draft a bill embodying the provisions and principles contained in said outline.

Mr. Frost, of South Carolina, presented the following resolutions and moved their adoption:

"That this conference extend to Hon. W. B. Wilson, Secretary of Labor, its thanks for the interesting and instructive address delivered by him on this occasion. That this conference extend to Hon. John B. Densmore, Director General United States Employment Service, its thanks for the thoroughly dignified and impartial manner in which he presided over this gathering."

In order that the chairman need not be required to present the motion to adopt the foregoing resolutions, Mr. Frost himself put the motion, which was unanimously adopted by a rising vote.

Mr. Densmore thanked the delegates for the action taken.

It was regularly moved, seconded, and carried that a committee be appointed to wait on Gen. March, Chief of Staff, to ask for the release of the men now in the Army who were formerly engaged in farming.

This concluded the business of the session, but before adjourning the conference was addressed briefly by Messrs. Smith and Fitzgerald, of Oregon; Mr. Leavitt, of Montana; Mr. Easton, acting national director of Bureau for Returning Soldiers and Sailors; Col. Arthur Woods, assistant to the Secretary of War; and Miss Melinda Scott, special representative for Women's Work, United States Employment Service.

At 5.15 the conference adjourned.

Mr. DENSMORE. Gentlemen, it is my privilege to introduce to you a man who has carried one of the largest responsibilities of the war, and who is now carrying one of the largest responsibilities of the Government in this very trying period of industrial readjustment, and who is sympathetic with every section of the United States, and the industrial problems therein, Secretary Wilson.

ADDRESS OF HON. WILLIAM B. WILSON, SECRETARY OF LABOR, AT THE
CONFERENCE ON EMPLOYMENT, WASHINGTON, D. C., APRIL 25, 1919.

Director General and members of the conference, I regret that I was unable to be present when your meeting convened that I might extend to you a welcome to the Capital City of our Nation and a wish you Godspeed in working out the problem confronting you.

During the current week we are all soldiers, and we are all taking orders from the Treasury Department, and my orders were to go forth from the city of Washington into other places and appeal to the citizenship of those other places for subscription to the Victory loan, and consequently I was unable to be present when you convened. I take this belated opportunity of wishing you welcome and success in at least laying the groundwork for the solution of the problem of employment.

That, for the time being and possibly for the next year, will be the great problem for the American people to deal with. In the establishment of an employment service, we are only attempting to deal with one phase of it. If there are no places to be had, then an employment service can be of no help. It is only as a clearing house for information that an employment service can be valuable, and in that respect it can be of tremendous value. We have had clearing houses in the years gone by for all kinds of things. For everything that man wanted or needed in quantity, we have established clearing houses as a means of providing knowledge of where

the desired article could be had, as a means of bringing those who had the articles to dispose of in contact with those who desired them. But that has not been the case until very recently in connection with the employer and employee. Even in our rural communities, our most sparsely settled sections of the country where everybody is supposed to know everybody and everybody else's business, the former may need the services of a carpenter or a harvest hand, and a carpenter or a harvest hand may be living near by needing employment, and yet the two have no knowledge of each other's needs. In a larger and more complex form that condition exists in our industrial communities.

Prior to the coming of the war various municipalities, various States, and the Federal Government had realized the importance to society, the importance to industry itself, of establishing clearing houses in which the employer and the employee could learn of each other's needs. The situation was accentuated by the coming of the war. It became necessary for us not only to mobilize our military forces, but to mobilize our industrial forces as well. Modern warfare is entirely different from the warfare of ancient times. Under the old methods of warfare it was frequently possible for armies, large armies, to support themselves in the territory through which they were operating, receiving a comparatively small portion of their supplies from the people at home. That is not true of modern warfare. It requires a large number of workers in the rear to maintain the military forces at the front. It not only requires industrial forces in the rear, but it requires those industrial forces organized in special lines of production; and the war made it absolutely necessary then for us to take the workers from lines of industry that were not essential to military success and introduce them into lines of activity that were essential to military success. We had to mobilize our industrial forces. In the mobilizing of those forces we had to go into the municipalities producing more of the so-called nonessentials than were necessary and employing more workmen in that line of production than necessary, and take the workmen from those municipalities into other municipalities where they might be engaged in essential war work. We had to go into some States where nonessentials were being produced and take the workers from those States into other States producing the things that were considered to be essential for military purposes. The war being now over, the reverse process must of necessity take place. We have not only to care for the demobilization of the military forces, taking them back into civilian life, but we must also care for the demobilization of the industrial forces that were engaged in war work, getting them back into peace-time activities.

When the armistice was signed last November the War Department, as a natural policy of retrenchment, undertook to cancel or to negotiate all of the contracts that had been entered into that it was possible to dispose of in that way, but there were many of the contracts that had progressed to the point where it would be a greater loss to discontinue the production than it would be to continue the production to the completion of the article, and many of those contracts are in process of completion now. Some of them will continue, possibly, throughout the year. And so we will have confronting us during that period of time not only the demobilization of the Army and the Navy, as I have said, but the demobilization of war workers. Many of the industrial establishments that were engaged in peace-time activities turned their plants into war-time production. It took some time to make the changes. Some plants made the changes more rapidly than others, the difficulties in the way being less. The reverse process is now taking place, and plants engaged in war work are being restored for peace-time production. Some of them are being restored much more rapidly than others, because the difficulties in the way are less. That creates a condition all over the country, making it absolutely necessary that there should be somewhere a central clearing house where the knowledge will be available of those plants that are ready to engage in that peace-time activity, absorb war-time workers, and give them the opportunity of employment. These are some of the problems that have to be dealt with by an organization of municipal, State, or Federal form, or a combination of all three.

The most efficient organization that can be constructed is an organization that includes all three; and the organization that is most likely to be permanent, the one that is likely to live beyond the period of demobilization of our industrial workers and our armies, is the one that is composed of all three. The one great reason for that, in my mind, is that a Federal organization has the opportunity of absorbing a continuous enthusiasm for the work. A local organization gets its spirit for the conduct of its work from the local enthusiasm that is engendered; because of the narrowness of its limits, the small number of people, comparatively, that it has to draw from, there is always the possibility of a wane of local enthusiasm for the work, and when there is a wane of local enthusiasm for the work there is a lack of support for those who are doing the work. If you combine, then, your municipal activities into cooperation with your State activities, and thereby widen the territory, when there is a waning of enthusiasm in one community in the State, there is a gaining of enthusiasm in the other community that is felt in the administration in the State, and can be carried through, conveyed to the community where the spirit is waning, and support given to that community that it would not otherwise have to tide it through the period of depression of its local enthusiasm. And what is true in regard to State organization is just that much more true with regard to a nation-wide organization. The nation-wide organization draws its enthusiasm from all portions of the country, and is able to give that backing and support to the States and communities where enthusiasm is temporarily waning that could not otherwise be had.

But in addition to that, there is always the movement of workers from one community to another and from one State to another. There is always the variation in industrial activity that affects one State more than it does another at different times. It is therefore absolutely essential that, in addition to your local employment agencies, there should be a national clearing house of information to make your organization more complete and more efficient. As to the details of an organization of that kind, it matters very little if you can get your authorization from Congress and your various State legislatures and municipal councils to put it into effect. That it is essential, I think, it is very generally admitted, not only by you gentlemen, who have been giving your attention to this work from a municipal or State or Federal standpoint, but by the great bulk of the citizenship of our country.

The fact that so many private institutions have engaged in employment service is in itself a clear demonstration of the need for an institution. Men do not engage in business of any kind except for the purpose of making profit out of the business, and when large numbers are induced to engage in the exchange of workmen, it is an indication that there is a large field to be covered, and therefore great necessity for the work. The private agency has performed many beneficial pieces of service, but its very nature is of such a kind that it leads to practices that are injurious to all of the country. You know what those practices are. The employment office that has the arrangement with the foreman or superintendent who has the power to hire and fire, by which men are given the opportunity of employment and shortly find themselves out of a job and seeking for employment elsewhere: the taking from the man who is out of a job and who is consequently in a worse position to furnish the finances, his 50 cents, his dollar, his \$2 or upward, as the case may be, only to find that in a few weeks he has to repeat the performance.

The turnover of labor has been a tremendous factor in our industrial life. It is one of the elements that has contributed greatly to inefficiency in production, and the turnover of labor is encouraged by the private employment agency because the greater the turnover of labor, the greater the business of the private employment agency is and the greater profits. There are those engaged in private employment business whose moral standards are too high to permit them to engage in policies of that kind, but all of them who are engaged in the business are not inspired by the same high moral standards. With a public employment agency, whether it be municipal, State, or Federal, or a combination of all three, there is no profit coming to the agency by virtue of the large number of workers that are placed. There is only one incentive that I have been able to discover that may lead to abuse, and that grows out of the feeling that the importance and value of the Employment Service is indicated by the large number of people that are placed.

In my judgment that is a wrong basis for computing the efficiency of an employment office. The employment office that can place its workers in such a

manner that they stay placed is of very much more service to the community than the employment office that places its workers in such a manner that a few weeks or a few months it has to replace them.

Since we have been engaged in a Federal way in the placing of workers in the different lines of industry, we have met with some criticism that I feel I ought to bring to your attention and to make some statements concerning them. And one of the criticisms that we have met with is that our Employment Service, the Federal Employment Service, is a union labor employment service and gives preference to the placement of union labor. That statement is made incidentally in connection with the allegation that the Department of Labor, of which the Employment Service is a part, is a union labor department, giving preference to union labor. Of course, any employment service that is a union labor employment service and that gives special preference to union labor as against nonunion labor would not meet the employment situation of the United States.

There are those engaged in industry who are trade-unionists. There are those engaged in industry who are nonunionists. I make no hesitancy in saying that I am a trade-unionist myself. I believe in trade-unionism; I also belong to a church. I belong to some fraternal societies. It doesn't follow that because I belong to a church or belong to a fraternal society that when I become an executive of the Government I would immediately set the machinery of the Government in motion to set up my church as the established church, or to exclude all other fraternal organizations from the United States except those that I happen to be a member of. It is not a function of any branch of the Government to promote trade-unions. It is not a function of any branch of Government to promote corporations, but it would be folly to say that because it is not a function of the Government to promote corporations, therefore Government must not deal with corporations, and it is just as much folly to say that because it is not a function of Government to promote trade-unions that therefore Government must not deal with trade-unions. Those who are members of corporations, those who are members of copartnerships, those who are individualists in business, those who are trade-unionists and nonunionists, are all citizens of the United States, and as a Government agency the Department of Labor and the Employment Service can deal with all of them. We are authorized by our organic act to promote the welfare of labor and to advance its opportunities for profitable employment. No distinction is made as between the union and the nonunion worker in the organic law, and no distinction has been made by the Department of Labor or by its Employment Service in the handling of labor affairs or in the placement of workers, except those distinctions that employers and employees have themselves by their mutual contracts made absolutely necessary.

The one great example that has been used by our critics in connection with the allegation that we are a union-labor department and a union-labor service is that when the demand for ship workers and shipbuilders came from Seattle our employees in the interior of the country said to those who were applicants for employment that "It is not advisable to go to Seattle unless you are either a union man or willing to join the union," and we are held up as a trade-union department because we made that statement. After the criticism began we continued to make it. We are making it now. We will continue to make it while the conditions remain the same; and the conditions were these: That the employers and the employees in the shipbuilding industry in Seattle had come to an agreement that all people employed in those yards should be members of their respective unions. In other words, they had a closed-shop agreement; and if we had at our instance caused any man to leave the interior of the country and go to Seattle who was neither a trade-unionist nor willing to become a member of the union, only to find when he reached there that he couldn't secure the employment that we had said was available, then we would have been justly subject to criticism and ought to have been denounced from one end of the country to the other.

Now, on the Atlantic coast the situation was entirely different. The employers and the employees had no closed-shop agreement, and we placed more workers in the shipbuilding yards of the eastern coast by far than we placed at Seattle, and we placed them there without any reference to whether they were unionists or nonunionists. The question was never asked. It was not a condition of employment; and so they were sent to our shipyards on the eastern coast without any intimation that they would be unable to find em-

ployment if they were not trade-unionists or unwilling to become such. That has been our attitude.

I may go further and say this: That if there was a call for nonunionists coming to the department we would endeavor to supply the nonunionists if they were available, and the only distinction we would make would be in the event of there being an industrial dispute. If there was an industrial dispute in existence, we would not be the agency through which labor could be furnished to that industrial dispute. We take this ground with respect to industrial disputes:

That there is a sufficient supply of labor there if a strike is going on. The labor is competent to perform the work that is required, as has been evidenced by the fact that it has been doing it; and to send workers from some other community, however near or far, into a community where there is already a sufficient supply of labor of the necessary skill is simply to create a complication—a surplus of labor—one of the things that is to be avoided; and where a labor dispute is on it is not a question for our Employment Service to deal with; it is not a matter for it to handle. It is a question for our Conciliation Service to deal with; and when the Conciliation Service has successfully handled the problem, then you have the workers there ready to go on with the work. That has been our attitude with regard to industrial disputes.

I have referred to this criticism because undoubtedly you will find it more or less from time to time in your local communities, and I wanted to make clear to you, at least, what my own attitude is on the matter—at least, the manner in which we have been endeavoring to handle the problem from a national standpoint.

I hadn't expected to go into as extended a talk to you as I have made. I simply wanted to bid you welcome and wish you God speed. You who have been dealing with the problem know more of its details than it is possible for me to be familiar with. I have only endeavored, therefore, to deal with some of those broad principles that occur to me as being essential to the maintenance of our present service; its extension during the period of demobilization and its continuance into the peace-time period that is to follow. I believe that it is essential. I believe that the human being is of much more importance to any country than the material products of that human being. I believe in high standards of efficiency, because I believe that it is only by high standards of efficiency that we can have high standards of living. As I have been saying in a number of my addresses in connection with reconstruction, if there is nothing produced there will be nothing to divide. If there is a large amount produced, there will be a large amount to divide. The interests of the employer and the employee are mutual in securing the largest possible production with a given amount of labor, having due regard to the health, the safety, the opportunity for rest, recreation, and improvement of the workers. Those things having been safeguarded, then the greater amount of production there is, the greater amount there will be to divide, and the greater the opportunity for higher standards of living. Their interests only diverge when it comes to a division of that which has been mutually produced, and if they are wise in their generation instead of engaging in industrial wars and industrial conflicts, they will sit down at the council table and endeavor to work out the problem on as nearly a just basis as can be reached. One of the important things that can grow out of an employment service such as you are seeking to make permanent here to-day, is that higher efficiency that leads to higher standards of living and out of the higher standards of living still higher ideals can be striven for.

I thank you.

Mr. SMYTH. That conference first appointed quite a large committee to draft a bill, and that committee worked for two days and drafted a proposed measure, which was submitted to the full committee, but it was subjected to so much criticism as to the details of it that it was referred to a subcommittee, and at the meeting of the subcommittee, at which I was present, there was a final decision made on the main proposition, which should be made into a proposed act, the exact language of the act being left with that subcommittee to draft later, and they did draft those propositions into a bill, which bill was presented to the chairman of the committees of the House and Senate.

The CHAIRMAN. So that this bill is the result of that conference, is it, Mr. Smyth?

Mr. SMYTH. Yes, Mr. Chairman; it is the result of that conference; and I may state, while there was a great deal of difference of opinion and divergence of views expressed during the conference, the final vote on the proposals submitted from the representatives of the 30 States and the representatives of the employment service, with some outsiders, that vote was unanimous.

Senator KENYON. What were the propositions that that bill covered? What bills do you refer to, Mr. Smyth?

Mr. SMYTH. I refer to the bill that I understand was submitted by the Secretary of Labor to you, Senator Kenyon, and to Mr. Smith, of the House.

Senator KENYON. And is that proposition embodied in the bills introduced in the Senate by myself and in the House by Mr. Nolan?

Mr. SMYTH. That is the bill introduced in the Senate by you and in the House by Mr. Nolan, the only difference being, as explained by the Secretary of Labor yesterday, that the conference recommended that the President may appoint an advisory committee, which recommendation the Secretary deemed it wise to leave out. At that conference, I may say at the outset, based on the experience of the members there, there was a very strong sentiment of a straight-out Federal Employment Service bill, the reasons there prevailing being that the—

The CHAIRMAN (interrupting). That is what we would like to hear, your reasons for the bill; that is, we would like to have information as to needs and necessity to appropriate funds for a Federal employment bureau.

Mr. SMYTH. I hope to give them, and not only reflect my views but those that attended that conference, as they studied this problem, and one of the first questions was whether there should be a straight-out Federal service or whether there should be a joint Federal and State service, those preferring a straight Federal service believing in it on the ground of superior efficiency.

They felt that they could not rely on a renewal of the State service that existed before the war, which, with one or two exceptions, had been notoriously inefficient: the States had not adequately financed them, and there had been no adequate realization of the problem, while, on the other hand, through the Federal management of a great central system during the year there had been progress, although starting out during the war with an entirely new organization in a field rather new, and therefore with inexperienced men and with a great deal of preliminary inefficiency inevitable, this central organization had held during the last three or four months training conferences in which representatives, two or three from the States, had been present, where they had conferred for two weeks, making recommendations for standards of procedure and carrying out the uniform methods into the field and there instructing the men in the service; and as a result, on account of this conference, there was a general feeling, which all participated in, that the Federal Employment Service had become, while not thoroughly efficient, as it would take two or three years' experience to perfect a thoroughly efficient force, that it was far and away more efficient than anything

that had yet been developed in the field of public employment service; and I may say, bearing on that subject, that there was in this country a representative of the English employment service, who left here about a week ago—did he see you, Senator Kenyon?

Senator KENYON. What was his name?

Mr. SMYTH. Mr. Davidson.

Senator KENYON. Yes, sir.

Mr. SMYTH. He was over here more particularly with reference to children's problems, and he went all over the country and investigated the State and Federal offices; and in talking with me about the proposed bill he stated that while he saw reasons for a joint service he expressed considerable regret that it had to be that way, because, he said, he found that in the Federal offices there was a very much more thorough realization of the problem that had to be met and there was a very much higher degree of efficiency.

Now, I am quoting from the views of those asking for a straight concentrated Federal service. On the other hand, it was felt, and I think they all came to an unanimous agreement on it, that a State and municipally managed system, a system of that kind coordinated and contributed to the Government, was a better plan. There are several reasons for this, being generally as follows:

In the first place, and perhaps the least significant than anything else, through that State control it may avoid the possibility of the building up of a great Federal office-holding machine—and I know that was not done during the war, but it might easily be done in the normal peace-time basis, and might build up a great big political department. Then it was felt very strongly that primarily the work of finding employment for men who were out of work and finding men for employers is a local function. Just to illustrate:

In New York City the getting of work for men in that city is a very important work, one in which the public is greatly interested, and yet the public of New York City is more interested in New York City itself than the public of North Dakota would be in New York, both in the administration of the problem and also in the financing of it, because the benefit of an effective service is largely local, and it would seem that the locality ought at least to pay its share of the financing of that public service, and then, as the Secretary of Labor has already pointed out to you, there is a local initiative and a local enthusiasm, which is very valuable in this matter of central control.

Starting then with the proposition that this is primarily a local problem which should be locally managed and contributed to locally, they were all, I think, of the belief that it was also a problem in which the Nation as a whole is interested; that an effective public employment-service system throughout the country is a national as well as a local necessity in the first place, because the problem of supplying men to industry and finding jobs for men under present industrial conditions transcends State lines.

All of the time, Mr. Chairman, the men in New York are finding positions in New Jersey, and to a large extent positions are being found at even greater distances. To illustrate to what extent that is practiced I have here the figures for the weeks from December 7 to the week ending June 14.

The CHAIRMAN. What year, please?

Mr. SMYTH. December 7, 1918, to this last June 14, and these reports are not complete of the numbers of skilled and unskilled laborers who moved from one State to another, on the basis of information of the service performed by the Federal Employment Service. These reports were not complete because the system was not elaborated fully until February, and then a few weeks afterwards the failure of funds so crippled the service that for some weeks the report did not come in, but they show, on the whole, an average within the last month, and it was greater earlier than that, of somewhere between 2,000 and 3,000 men a week being moved from one State to another.

I should like to offer that table of figures in evidence and have it become a part of the record.

The CHAIRMAN. Without objection, permission is granted.

(The table above referred to is here printed in full in the record, as follows:)

Summary of interstate shipments, clearance section.

Week ending—	Number skilled.	Number unskilled.	Week ending—	Number skilled.	Number unskilled.
Dec. 7, 1918.....	533	.....	Feb. 22, 1919.....	897	2,690
Dec. 14, 1918.....	1,032	.....	Mar. 1, 1919.....	688	2,089
Dec. 21, 1918.....	712	.....	Mar. 22, 1919.....	650	3,071
Dec. 30, 1918.....	1,357	.....	Apr. 5, 1919.....	120	1,736
Jan. 11, 1919.....	1,239	.....	Apr. 26, 1919.....	39	296
Jan. 18, 1919.....	1,000	.....	May 10, 1919.....	176	1,288
Jan. 25, 1919.....	1,212	.....	May 17, 1919.....	208	601
Feb. 1, 1919.....	385	.....	May 24 and 31, 1919.....	168	1,308
Feb. 8, 1919.....	1,384	.....	June 7, 1919.....	191	1,802
Feb. 15, 1919.....	792	1,922	June 14, 1919.....	698	1,955

Mr. SMYTH. I have, but I do not think it is necessary to introduce in evidence the detailed information; if you care for it, information showing just how that interstate work is done. Every week a telegram comes from each State director stating by trades, under certain general classifications, the number of applicants for positions in their States for whom work can not be found there, who want to move out of the State, the number of positions, stated by trades, in that State, of applications for men or women which they are not able to fill within the State. That is then put together into a clearance bulletin, a copy of which for this last week I have here, that shows, for instance, under the title of "Agricultural," the States where they have had applications for agricultural help which can not be filled in that State. Then, under the heading of "Auto mechanics," the applications for the positions of auto mechanics and the positions which are vacant. These are secured by the State director from similar bulletins which he gets from the officers within the State. The bulletins from the officers within the State are much more elaborate, because they are used for clearing the labor within the State itself. They state the exact type of worker required, and are more complete in detail. On the basis of this bulletin, the State director for New York, for instance, who has in his State a large number of automobile mechanics who need employment, is given some idea of the States where there are openings for that kind of workmen, and he gets into direct touch with the director for that State and finds out exactly what the positions are, and conveys the infor-

mation to the men. In some instances where the employer is willing to pay transportation, arrangements are made to assist in the transportation; in other instances the man making the arrangement pay their own transportation. In some instances even where the managers are not listed on these clearance bulletins as between States, the State directors get into touch with one another to such an extent, as I said, that between two and three thousand men, both skilled and unskilled, have been moved from one State to another each week.

Mr. MAHER. Have you any data to show the number of men you have been able to send from the cities to the farms as farm laborers?

Mr. SMYTH. Those that we have supplied as farm laborers we have data, but whether it is segregated so as to show those going from the cities to the farms, I do not think so. I can not tell you exactly, because I have not been associated with that work within the last two months. That segregation, by going over all the reports, could be made, but I do not think it has been made in that particular form.

Senator KENYON. Mr. Smyth, has there been a substantial number going from the cities to the farms?

Mr. SMYTH. I so understand; yes, sir.

Now, not only is this a national problem, because of this movement; but, owing to the farm movement, I am going to offer in evidence a little later just how we are handling that farm problem in this and all over the wheat belt. It is a movement of men from the South to the North, with the reaping of the crops. They absolutely can not be handled by any one State as a State problem. It has to have a central directing agency, and, of course, the securing of the wheat crops, as well as the proper movement of labor in other kinds of farm work, is a matter in which the Nation is very deeply interested.

We all felt strongly on that point, but it is a point that I do not need to go into very deeply, because the Secretary of Labor has already gone over it.

But it is a fact that is established very clearly, that the Employment Service is a thing which increases the national efficiency. All I want to say on that is, that it became evident during the course of the war that the absence of a national employment service was costing this country millions of dollars in money and very great delay in the production of material. And this general raising of wages which came about from an employer taking men from another by offering advanced wages, and then the other employer coming back and giving them still higher wages, brought wages up to a degree never before known in this country. For instance, I will give just one striking instance of what was done in the coal-mining situation. In that industry an employer of labor with whom I conferred told me that—I have forgotten the exact locality—but men were being brought from out of the State, and those men were met by his own agents, and he said to me, "I took them off of the train by offering them higher wages, and within a week they were taken back by the man who first employed them at better wages."

Mr. CASEY. Where was this and who took them?

Mr. SMYTH. Well, they were competitors for the same men in West Virginia, and that was going on there; but that was not really a benefit to the laboring men, this getting of the higher wage, because,

somewhat to my astonishment, the intelligent men realized that the restlessness and the moving around and the discontent that was engendered by these constant changes of wages among the laboring men, kept them from realizing, except in some instances, any real permanent profit. As a matter of fact, too, a great many of these men simply used these higher wages as a reason for working less days; that is, they would work four days a week and not work the rest of the week.

Mr. GOULD. I have heard that there was some effort made to standardize the wage on common labor during the war period.

Mr. SMYTH. Yes, sir; there was.

Mr. GOULD. And was that ever consummated, in order to prevent this condition that you have been describing here now?

Mr. SMYTH. Well, briefly, to prevent that condition, two things were undertaken. We consulted with the larger employers—men like the Du Ponts—and as a result undertook a program under which there was a concentration of employment work, which the Secretary described the other day regarding common labor in the Government forces. The other was an effort was made to standardize the war labor wages. The War Labor Policies Board was going to do it, but it never did it, but this was done: When they started to do it directions went out from the Secretary of War and from the Secretary of the Navy to all their wage equalization boards to hold the wage where it was. At that time it was in the neighborhood, around this part of the country, of about 40 cents, and they held that common-labor wage in that neighborhood up to a short time before the war closed, when it began to break away; but in the large centers a great deal was done along those lines.

Mr. GOULD. Do you know why the standardizations were never reached, or why the decisions were never reached?

Mr. SMYTH. Well, to express my own opinion in regard to this, it was this: That, instead of realizing that they were the Government, they began to negotiate with all the parties in interest. They should have made an order to accomplish something, but in the negotiations they never got through. If there had been, at the outbreak of the war, a Federal service which could have taken over and included this recruiting of men and the work of getting the men out of the small communities and out of the nonessential industries, then that could have been put into effect very much earlier. I think that everybody who has closely studied the subject realizes that there was a great lack of national efficiency, due to the failure of any kind of a system or any public office, and only toward the end of the war did it begin to be effective.

Of course, those conditions do not repeat themselves in peace times, but there is a sort of a magnifying glass on it, a sort of a high light, which shows the lack of efficiency, and it seemed to those in the conference, and it does to me, that one of the lessons which we should learn from the war and from a study of it is that the Nation has a great concern in the proper development throughout the country of a proper employment service.

Another aspect which I do not think—

Senator KENYON (interrupting). Before you leave that, was there any consideration given by your conference as to the matter being handled through the post offices of the country?

Mr. SMYTH. I do not think that it was considered at the conference, because there had been efforts made in the early days which had fallen absolutely flat—an experiment which was utterly flat—and nobody considered reviving the experiment. The post offices were used to a considerable extent, and they have been of a very considerable assistance, in the matter of posters being put up in the post offices, and we tried during the war to use all of the post offices as clearing centers for information on the farm situation, and they began to be used to some slight extent in the farm situation in that way.

Senator KENYON. How were they used—

Mr. SMYTH (interrupting). We struggle with every aspect of it. The reason it was tried out so thoroughly was because during the fall of 1917, when the need of some service was obvious, the Labor Department and the Council of National Defense tried to use the post offices as much as they could, and they got some slight assistance from them. They also tried to use the newspapers throughout the farming section, the small newspapers, and we did get some assistance from them in a sporadic way.

All of those things, of course, are helpful, but none of them seem to have succeeded in meeting the problem.

Now, passing on, just to mention it, they all felt that the Nation has an interest in the prompt securing of work by the worker, from the point of view of the workman himself, both as a national duty to the workman, for the Nation can do something for him that it is utterly out of the power of the man himself to do—

Mr. HERSEY (interrupting). Are you a member of a union, Mr. Smyth?

Mr. SMYTH. No, sir; I am not. I am a lawyer and an insurance man, and have been all of my life, and I am not now a member of the Employment Service.

Mr. MAHER. Are you connected with any labor organization, Mr. Smyth?

Mr. SMYTH. No; I am not; and I am not even a member of the Federal Employees' Association.

I think that the most striking instance of the national concern in the proper administration of an employment service comes up in connection with the placement of boys and young girls between the ages of 16 and 21 or 22. It seems to be accepted as a proper function of the National Government to expend large sums of money for vocational education and to encourage them and to stimulate them. Now, a boy of 17 or 18 years of age walks into an employment office looking for a job. The kind of a job that he is sent to probably has more to do with the development of that boy in his future life than any other place you can touch him at any one place.

Mr. GOULD. Why should not the parent function on that? Is not that the duty of the parents? They should take care of that.

Mr. SMYTH. They should; yes; and why should not they give him a private education and a vocational education?

For instance, as an illustration, just one instance of what was done, why this thing has been largely done: A boy came into the office looking for a job as a bell hop. They went over his career and

they looked into his school and his capacity and ability, and instead of getting him a job as a bell hop they sent him off to a job as a machinist's helper.

Mr. HERSEY. They sent him off? How far away from home did he go?

Mr. SMYTH. Why, right in the same town. They got him a job as a machinist's helper, and then they directed him to a night school, and they exercised a control over him, and that will have a great influence throughout the life of that boy.

Now, in private employment agencies or in the agencies where it is not done with intelligence and enlightenment and with an interest in his work and in his future what would have become of that boy? They would have sent him on any job at all that they would have had for him. Those in charge of the Employment Service have said that they have been surprised in studying these boys coming into the Employment Service to find that a great number of them know nothing about night schools and know nothing of the possibilities of educating and equipping themselves for the future. For that reason we started in four or five months ago on this work, and we have become tremendously interested in it in trying to get our offices, wherever they function, to try, when a young man comes in to them, to treat him wisely, to study him, to give him special attention, to get, if possible, in connection with his teachers in school, to get in touch with his parents, and to give him advice as to an education wherever we could, and to send him, so far as there were possibilities in that community, to the men or to the jobs in which he will develop.

I tell you, Mr. Chairman, that a practically functioning employment service can do a vast amount of good, not only to the individual boy himself, although that is of great good, but to the country as a whole, by getting the young men started out into the right kind of work. Of course, they can not be 100 per cent perfect, and some may not be more than 20 or 30 per cent perfect, but it is one place where you can exercise a vital control and a wonderful influence over the young men of this country, and, in my opinion, it is almost as important as the vocational education, and it is something that puts the young men under the influence of the vocational education.

You all know, and it is not necessary to dwell on that subject, of the cruel waste and hardship that comes to men in life because they started out on the wrong job, and, Mr. Chairman, it seems to me that just as it is the duty of the Federal Government to see that something is done to give these boys an opportunity to learn a trade, just so much is it the duty of the Government to see that something is done after a boy has had his education to send him wisely when he is being directed to a job.

Now, Mr. Chairman, that is a transition to the next reason for a national employment service. We had analyzed, out in Chicago, just the figures of the work of the boys' division from January 1 to March 31, 1919, all of which is not in Chicago, but it is in an office where they have been trying to do this boys' work wisely, and to watch them, and these figures show that 1,829 boys were placed in positions, and the cost of placing them for those three months, including all of the expenses to the Government was about \$1,800, which is less

than a dollar each. Now, the average employment agency's fee for that work—that is, the private employment agency—is 25 per cent of the first month's salary, on positions paying under \$1,000 a year, and taking these jobs where the boys are sent and applying that charge to those jobs, and those boys would have had to pay a private employment agency \$26,579.

Mr. MAHER. As against what?

Mr. SMYTH. As against \$1,800 that it cost the Government. Whether those agencies would have made \$24,000 profit out of it or not, I do not know, but it would be something of that sort; but it is certain that those agencies would not have taken care of a boy, would not have given them the effort and the wisdom and the interest, would not have shown the interest in the boys as it was done under the control of a public employment service.

A similar situation exists with the employment of women. In a women's division in Chicago during the same three months 5,098 women were placed in position.

Mr. HERSEY. Mr. Smyth, let me ask you, were there any private agencies acting at the same time in Chicago?

Mr. SMYTH. Yes; they were, yes. I have a list here which I will give you in just a moment, so far as we can compile them, of the private agencies throughout the country.

Mr. HERSEY. And were the State agencies and the Federal agencies cooperating at that time in Chicago?

Mr. SMYTH. Yes, sir; this was in Chicago. This was done under the Federal supervision. I am not interested so much as to who should supervise the work as I am interested in seeing that it is done right. There in Chicago, in the three months, as I have said, they had placed those 5,098 women at a cost to the Government of \$4,923, and the cost of placing those women on the basis of the fees charged for women in Chicago during that time by the private agencies, what cost the Government less than \$5,000, or to be exact \$4,923, those women would have been charged \$47,684, and I think you gentlemen know, without me going into it, the dangers in women's employment and the value of some kind of control where you are directing women to work to see that they are directed to places where there is some proper investigation of the conditions of employment.

Senator KENYON. Roughly speaking, how much is paid to the private agencies of the country?

Mr. SMYTH. I have here, Senator Kenyon, the best information that we have been able to get on that subject, and I will say that this year we required from our State directors reports, so far as they were able to ascertain them, concerning the private agencies in other States. In some States they can get them quite accurately, because of State supervision, but in other States I must say that these reports are more or less in the nature of estimates. I should like to offer this table in evidence with the comment that the information is necessarily only a part, is fragmentary, and it does not include necessarily all of the private agencies.

The CHAIRMAN. Without objection, the permission is granted.

(The table above referred to is here printed in full, as follows:)

Fee charging agencies.

[All States reporting; 2 States prohibit employment offices; 1,847 offices reported.]

State.	Number.	Registration fee.	Fees. ¹			Number placed.	Employers' fee.
			Common.	Skilled.	Clerical.		
Alabama.....	5.	\$2 up.....					
Arizona.....	None.						
Arkansas.....	8.	\$2.....	10 per cent				
California.....	181.		\$2.....	\$2.50.....	35 per cent.	236,799, estimated.	
Colorado.....	34.	\$1 to \$2.....	\$1 to \$2.....	25 to 40 per cent.	25 to 40 per cent.		
Connecticut.....	10.	\$1 to \$2.....	\$2 to 10 per cent.	2 to 10 per cent.			\$2 to 10 per cent.
Delaware.....	9.		\$1 to \$3.....				\$1.
District of Columbia.....	12.	\$2.....					
Florida.....	2.		\$2.....	10 per cent up.		600, estimated.	
Georgia.....	9.	Percentage of first month's wage.					
Idaho.....	Prohibited						
Illinois.....	315.		\$2 to \$3.....	\$10 to 60 per cent.		593,482, estimated.	
Iowa.....	30.	\$1.....	\$1 to \$10.....	With percentage.		23,487 (1917).	
Indiana (almost all offices for unskilled labor).	13.	\$1.....	10 per cent				
Kansas.....	7.		5 per cent, average \$2.13.			6,456, estimated.	
Kentucky.....	3.	\$4.....	33 1/3 per cent jobs under \$75; 50 per cent over \$100.				
Louisiana.....	20.		10 to 25 per cent.				
Maine.....	6.		\$1 to \$2.....				\$1.25.
Maryland.....	50.		10 per cent week's wage.				
Massachusetts.....	190.	75 cents up.	1 week's wage.				
Michigan.....	37.		10 per cent	10 per cent.	10 per cent		
Minnesota.....	62.		\$1 up.....	5 per cent annual.	5 per cent annual.		
Mississippi.....	None.						
Missouri.....	56.	\$5.....	\$1 to \$5.....	10 per cent.	10 per cent.		
Montana.....	15.		\$1 to \$5 per job.				
Nebraska.....	20.	\$1.....	\$1 to \$3.....	15 to 25 per cent.	15 to 25 per cent.	15,480.	
Nevada.....	1.						
New Hampshire (largely domestic).	100.		\$2 to \$25.....				Fee chgd.; amt. not given.
New Jersey.....	62.		10 per cent.				Do.
New Mexico.....	2.		\$2.50.....				
New York.....	1,000.						
North Carolina.....	None.						
North Dakota.....	4.		\$1.....	10 per cent.	10 per cent.		
Ohio.....	44.						
Oklahoma.....	4.		\$1.....	5 per cent.	5 per cent.	5,200, estimated.	
Oregon.....	17.		\$1 to \$7.50.				
Pennsylvania.....	281.		\$1 to \$3.....	10 per cent	10 per cent		
Rhode Island.....	28.	\$1.....	\$1 to \$2.....			3,000.	
South Carolina.....	2.	\$1.....			25 per cent		
South Dakota.....	2.		\$1.....			600.	
Tennessee.....	9.			25 per cent			
Texas.....	18.	\$1 to \$3.....	10 per cent		25 per cent		

¹ In each case where percentage is charged, the percentage is based on first month's wages, except where stated otherwise.

Fee charging agencies—Continued.

State.	Number.	Registration fee.	Fees.			Number placed.	Employers' fee.
			Common.	Skilled.	Clerical.		
Utah.....	14.....	None.....	8 per cent..				Fee charged; amt. not given. \$1.
Vermont.....	2.....	.....	10 per cent.	.....	.....	.....	
Virginia.....	6.....	\$1 to \$3..	.....	.....	.....	.....	
Washington.....	50.....	\$2.50 average.	.....	.....	.....	.....	
West Virginia.....	3.....	\$1.....	.....	.....	.....	.....	
Wisconsin.....	18.....	\$1 to \$3..	25 per cent.	.....	.....	14,464.	
Wyoming.....	5.....	\$1 up.....					

Senator KENYON. What I want is to get the amount paid to the private agencies throughout the country.

Mr. SMYTH. The average registration fee in a great many instances—they run from \$1 to \$2 for common labor, and the fee for placing them ranges—a dollar is the lowest and \$2 or \$3 seems to be the average, and they run up to 33½ to 50 per cent of the first month's wages, and in one State it is \$25. Skilled labor and clerical work runs from \$2.50 to \$10, or a percentage on the first month's wages of 25 to 40 per cent. They vary so that it is very hard to get any definite figure as to the average.

Senator KENYON. What I am trying to get at, about what is paid the private agencies by the people of this country.

Mr. SMYTH. That has been calculated that in New York State it is \$6,000,000 a year. There are no figures that I know of that would give the gross amount paid the private agencies throughout the country.

Senator KENYON. Then you can not answer the question?

Mr. SMYTH. No, Senator Kenyon; I can not answer the question.

Senator KENYON. Can you say how many private agencies there are in the country, in the whole country?

Mr. SMYTH. We have reports showing a minimum of 2,666 for New York State. In our reports New York is put in at a thousand, and we have definite reports—

The CHAIRMAN. If you would estimate \$6,000,000 for New York City, would it be fair to take that ratio for the country as a whole?

Mr. SMYTH. No; I do not think so. I think that it would be rather more in New York, because the population in New York is greater and because New York is a labor center.

Mr. GOULD. And there is a great deal of immigration coming into New York, too?

Mr. SMYTH. I have the figures here for New York City by districts, and I would like to offer them in evidence.

Senator KENYON. Do you think it would be wrong to state that there are fifteen or twenty million dollars a year paid to the private agencies? Do you think that there is that much paid?

Mr. SMYTH. Yes, sir; I do. I would like to read here a little statement from a book published in 1918 by the Metropolitan Life

Insurance Co., of New York, called "Hiring and Firing," dealing with the methods of the employment agencies. It says:

The most costly to employer and employee alike is the first group—the private employment agency. In New York City nearly 1,000 private employment agencies collect \$2,000,000 in fees yearly, and yet over 85 per cent of the employers never use them. The expense to the applicant for work at the private agency of being sent on false trails and of the frequent misrepresentation of conditions, as well as of the extortionate fees, is well known. The private agency's lack of discrimination and honesty in recommending employees makes it also costly to employers. A recent study of labor conditions in a large plant showed that it had been seriously exploited by the private employment agencies in a number of eastern cities. Workmen had been shipped to the company's plant regardless of fitness for the work; the company was charged for railroad fare, board for retaining the worker, and fees, while the worker often did not arrive at all and if he did, as often could not be used. The consequent loss to the company was estimated at \$1,000 a month. The private employment agency is seldom of real value, and usually earns its name of "employment shark."

There is one aspect of the private employment agency that has not been brought out, and which is one that is going to be the alternative in this country; that is, this country is going to face it unless there is an adequate supply of public service development. We have in our records something over 2,600 of these employment agencies, large employment agencies, and I do not think that takes into account all of the small employment agencies.

Mr. HERSEY. I would like to ask you, Mr. Smyth, do these agencies get a license from the State in the various States and pay a license fee?

Mr. SMYTH. In some of the States; yes.

Mr. HERSEY. It is my understanding that they are licensed in every State.

Mr. SMYTH. I think they are in most States; yes. Owing to the nature of the work being done by the employment agencies, where you have 2,500 or so little ones over the country, you have got very much an analogous situation to what you had or would have if you had one or two thousand small telephone exchanges. It is a business that I think certainly, if it is not handled by the Government, is going to fall into the hands before long of a large combination. I know of men who are thinking seriously if the Government does not do something about the matter they are going into it, because they know that if it is carried on the basis of the United States service work—that is, if a national service could succeed in handling about a million workers throughout the country—that it would be a fruitful field for them at a profit of one or two dollars a person. Now, the reason why it is susceptible of large business is very simple. Your employer would rather deal with an employment agency that has branches in a great number of States, because the local supply of labor for him may be inadequate. The employee, on the other hand, would rather deal with a service that is concentrated into one service.

What you need from an economical standpoint in a community is some one place where you can get all the information as to the jobs that are open and the men that are needed, and you need that also interstate, so that any large interstate private agency going into this field with a good communicating system, in the judgment of myself and in the judgment of others who have given it some study,

can very quickly practically monopolize this business. It is an inevitable economic feature which will be taken advantage of unless the public does the work itself.

Mr. GOULD. I have been told that there is an association of employment managers composed of the employment managers of the large industries of the country. Do you know anything about that?

Mr. SMYTH. Yes; there is an association of employment managers.

Mr. GOULD. Now, have they ever taken any stand one way or the other in regard to the Federal service and the State service that you know of?

Mr. SMYTH. That I am not familiar with, Mr. Gould. Mr. Densmore is more familiar with that, and he will testify to that. I happen to know that a representative of them testified here, Senator Kenyon had a hearing here, and you had before the Senate committee a representative of one of these employees associations who testified here.

Senator KENYON. Do you mean Miss Cooke?

Mr. SMYTH. No; I do not mean Miss Cooke; but he was connected at that time with some shipping concern, I believe.

Feeling, as this conference did, that it ought to be a State-managed system, and that it was a matter of national interest to see that it was managed properly and under proper standards and coordinated and made to work together, they also held that a Federal contribution to the system was necessary, not only during the interim but as a part of the Federal system in the place as an encouragement to the State, just as you do to-day in vocational education and just as you do in the agricultural work, and just as you do with the good roads, to develop systems, and, secondly, because if we are to exert any sort of Federal control we can only do it through contributing to the State systems.

Mr. BLAND. I was not here at the beginning of your testimony this morning, and I would like to ask you if you are familiar with the bill that is under consideration here?

Mr. SMYTH. Yes, sir.

Mr. BLAND. Now, this authorizes the Secretary of Labor to distribute at least 75 per cent of this money among the States, and he can distribute this money to the States who do not contribute themselves to this work, and the bill makes no distinction between the State that does not and does contribute to it. Is that your understanding of the bill?

Mr. SMYTH. No; I do not think that is strictly accurate. I want to analyze a little bit later, if I may, Mr. Bland, that point, and that is one of the points that I want to bring out, and I am trying to deal before the committee with the problems before this committee as I understand them. May I show the reason for this point that was raised for the Federal Government continuing in the interim in this manner, and point out that the legislatures, I believe, of 35 States which have annual sessions, met early this year and most of them have adjourned or will have adjourned by the time this bill is passed, if it is passed, so that action can not be expected by those States for two years. I have some information as to the States which have State employment services—that is, as to the amount appropriated and the number of offices—and I would like to offer that in evidence. There

are 13 States which have what might be called employment service systems, and there are about 3 or 4 others that have appropriations of about \$1,000 each. Now, the first question that came up was how to meet this situation until the States could act and what was necessary to be done. It was felt that we had to keep the employment services working in those States in the meantime. I would like to give you a few facts as to what they are doing.

Senator KENYON. I think that you are going into details too much here.

Mr. SMYTH. I only want to meet the desires of the committee. There has been so much misapprehension as to who is doing the work for the soldiers that I want to go into that matter of the soldiers. The bureaus for the soldiers were started, some 2,500 of them, by the Federal Employment Service. Through these posters which I have here the soldiers are being informed that they will get work through that service. We have representatives in France, and we take a record, have a record made out, through the assistance of the Army, of every soldier that is coming back from France. That report is made out on cards and 10,000 of those cards come into the Federal director's office a day. About 40 per cent of those soldiers want positions.

The CHAIRMAN. Put one of those cards in the record, if you will.

Mr. SMYTH. All right; here is the card.

(The card above referred to is here printed in full in the record, as follows:)

[The furnishing of information necessary to fill out this card is optional with each individual soldier.]

Name		Date reporting		Place where work is wanted	
Permanent address		Married Single Widowed	Number of dependents	Speaks English Reads English Writes English	
If you have a position promised, give employer's name and address			Age	Height	Weight
					Race
State kind of work desired (or promised): give details					Interviewer's estimate No experience Apprentice Journeyman Expert
From soldier's qualification card	Prewar occupation (main occupation on CCPI): give details		Years	Apprentice Journeyman Expert	
	Name and address of prewar employer	Occupation fitted for by military training.			
	Second best occupation		Years	Apprentice Journeyman Expert	

Remarks:

Form BRS-1—Soldier's Application Card
Department of Labor
U. S. Employment Service
14-1684

Mr. SMYTH. The soldiers are then given an introduction card, telling them where to go, and are told for further details that they should address the Federal State director of the United States Employment Service in the various States—

Senator KENYON (interrupting). You must have a good many men over there in France to do this work, have you not?

Mr. SMYTH. No; we only sent three men over to France, and they have worked under the orders of the general staff, and this work is being done by the Army and the offices giving the information, and the three men being there only for two months, and one will be over there a little while longer. I would like to offer one of those cards in evidence.

The CHAIRMAN. Without objection, that may be received in evidence and printed at this point.

(The card above referred to is here printed in full, as follows:)

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington.

To United States Employment Service Bureaus for Returning Soldiers and Sailors:

This card will be presented by ———, who is being released from military service.

Will you please see that every effort is made to assist him in securing a satisfactory position?

CAMP REPRESENTATIVE,
United States Employment Service.

Mr. SMYTH. We have circulars which the soldiers receive telling them how to proceed to get the jobs, and the Army has two circulars, one of them for farm work and the other general information, telling them to go to the Employment Service in order to get their work. We have representatives in 20 camps and at 4 ports.

The CHAIRMAN. In this country or over there?

Mr. SMYTH. In this country, in the demobilization camps here, to take the cards and work with these men. I will say that we have been placing soldiers at the average of 15,000 a week, through this machinery of the bureau for returning soldiers, which are voluntary and entirely coordinated, and they can not operate without the United States Employment Service to hold them together.

The CHAIRMAN. How long have you been doing that, Mr. Smyth?

Mr. SMYTH. We started that work about three weeks after the signing of the armistice, and we developed it up to the present time. These bureaus were formed by calling together all of the welfare organizations and all of our State representatives and the councils of national defense, and every organization of that kind, and we organized and put under the management these bureaus for returning soldiers, and placed the bureaus under men who receive but nominal salaries, and we do everything that we can to connect the soldier with the local bureau, and the handling of this is done through the United States Employment Service, but the local bureau is under voluntary cooperation.

Senator KENYON. And you say you have placed how many?

Mr. SMYTH. We have placed, up to the present time, about 300,000. I have here and would like to offer a table showing the registration of the number of the men placed, with the soldiers stated separately, by the Employment Service, with this comment: From December 1 to February 1 we had not devised a system of keeping the soldiers' record separately. The number given for that period, 30,711, should be greater, as we have reports from directors showing that

an additional forty or fifty thousand had been placed. These figures show a total of 262,811 up to the week ending June 7, and to that should be added forty or fifty thousand for the first month. I would like to offer that in evidence.

The CHAIRMAN. Without objection, it may be received in evidence. (The table referred to is here printed in full, as follows:)

United States employment service, statistics section, total activities by months.

Month.	Registra- tions.	Help wanted.	Referred.	Placed.
1918.				
January.....	82,253	89,002	62,642	51,183
February.....	92,452	92,594	70,369	58,844
March.....	144,156	177,831	118,079	100,446
April.....	195,573	320,328	171,306	149,415
May.....	206,181	328,587	179,821	156,284
June.....	246,564	394,395	221,946	192,798
July.....	282,294	484,033	250,152	217,291
August.....	555,505	1,227,705	500,510	395,530
September.....	531,226	1,476,282	513,662	382,696
October.....	594,737	1,588,975	606,672	455,931
November.....	744,712	1,724,943	748,934	558,469
December.....	549,593	1,024,330	525,486	392,934
1919.				
January.....	587,206	730,881	514,436	372,186
February.....	496,299	487,475	406,824	299,118
March.....	513,534	534,522	437,768	326,031
April.....	362,977	386,218	308,303	231,569
May.....	481,734	502,907	418,406	326,878
17 months.....	6,667,101	11,571,008	6,055,316	4,647,603

Soldiers and sailors only.

(Included in above figures.)

	Regis- tered.	Placed.
Dec. 1, 1918, to Feb. 1, 1919.....	49,481	¹ 30,711
Week ended:		
Feb. 8.....	21,744	12,659
Feb. 15.....	22,793	12,122
Feb. 22.....	27,150	18,945
Mar. 1.....	23,206	13,863
Mar. 8.....	20,575	13,118
Mar. 15.....	26,611	15,454
Mar. 22.....	14,369	9,193
Mar. 29.....	14,952	9,015
Apr. 5.....	17,092	8,861
Apr. 12.....	17,582	9,939
Apr. 19.....	17,890	11,451
Apr. 26.....	18,062	11,391
May 2.....	20,285	18,195
May 10.....	20,774	12,120
May 17.....	27,923	16,242
May 24.....	23,897	14,945
May 31.....	20,528	12,803
June 7.....	25,104	16,534
	430,018	262,611

¹ Incomplete.

Senator KENYON. How many have you coming to you now?

Mr. SMYTH. Why, about 10,000 a day, the cards.

Senator KENYON. And could you handle that soldier question on the appropriation you are to receive of \$200,000?

Mr. SMYTH. Under the form that it has been reported in the House, and permitting only the maintaining of a clearing office in the District of Columbia, I think that we would have to give up the soldier work.

Mr. BLAND. But you could cooperate with the States that have agencies at present, could you not?

Mr. SMYTH. Yes, sir; we could collect the cards here in the office and distribute them in the various States, and I do not doubt that in due season, with the interest in the country which is at present so large you could develop some local agencies so that we could get an effective system in three or four months in the States, but the present machinery would be utterly shut off at the end of this week, and we would have to call the men in from the camps and from abroad, and we could not handle it under the present system in an effective way any longer, although it is true we could do something, but the soldier would have to be waiting, and the service would be very materially hampered and crippled.

The CHAIRMAN. Was there any requests made of the employees in the different branches of the United States Employment Service to keep on at work, and were they assured that when Congress met there would be an appropriation of some kind in order to cover the expenses. Was there an understanding of that kind?

Mr. SMYTH. No; there was not, as I understand it. When we had to cut the service down 80 per cent in mark, a good many of the employees went on under the dollar a year program, or went on without pay with the understanding that if Congress should subsequently continue the service they would have the preference of being taken back into a new service, but they were never to be paid in the interim.

Mr. BLAND. Have you had any contributions from outside sources, Mr. Smyth?

Mr. SMYTH. Yes; we were able to finance 50 or 60 offices ourselves, and have now a total of 460 officers, the balance being paid from outside contributions.

Mr. BLAND. What did they amount to?

Mr. SMYTH. About \$168,000 a month is the amount that is being contributed from the outside sources.

Senator KENYON. And that was contributed by commercial bodies, was it?

Mr. SMYTH. Well, the largest single sum contributed was \$100,000 by J. Pierpont Morgan & Co. Then others contributed. The War Camp Community Service has helped out, and some State legislatures in two or three States have given money to be used until the end of the fiscal year, and the chambers of commerce have helped, and there has been almost every known kind of voluntary contributions.

The CHAIRMAN. And was it understood that these contributors would be repaid to any extent at all when this appropriation was made?

Mr. SMYTH. No; there was not any understanding of that kind. That subject came up in regard to the Morgan contribution as to whether we would ask Congress to repay it, but the Secretary took the position that it would have to be absolutely without any strings

tied to it at all if it was accepted. It was merely an understanding that they were to continue it until the end of the fiscal year, when Congress would assume the burden.

The CHAIRMAN. And has there ever been any appropriation made for that purpose?

Mr. SMYTH. Not a cent.

Mr. BLAND. Let me direct your attention to the bill again. An appropriation is asked for \$4,000,000 for each fiscal year including and up to June 30, 1922. How soon do you expect most of these boys in the Army to be employed under your system?

Mr. SMYTH. I think that the Army—how soon the Army will be demobilized, I think that you have as much information about that as I have.

Mr. BLAND. But you can assume that it will be demobilized in four or five months?

Mr. SMYTH. Yes; four or five months.

Mr. BLAND. But this bill carries an appropriation of \$4,000,000 a year including 1922, and you want that on the theory that you want to find jobs for the soldiers who are being discharged?

Mr. SMYTH. No; not at all. This bill has been drawn on a permanent plan of securing this employment service as a permanent peace-time service.

Mr. BLAND. And do you regard it as essential that you have \$4,000,000 in 1922 as you do now, when you are taking care of this great number of soldiers that are returning to this country at this time?

Mr. SMYTH. During the past year the moneys needed by the service were, if we had secured the amount that we asked for, would have been about \$7,000,000. At the present time the number of soldiers cared for by the service is, I think, only about 15 per cent of the total number that are being handled by the service. The rest of them are workers of all kinds in all kinds of service. The soldiers are only about 15 per cent.

Mr. BLAND. But they were largely employed by the activities in the production of raw material, were they not?

Mr. SMYTH. Well, to a very large extent, to a very considerable extent, but I will state that the placements have been increasing recently over what they were several months ago. Just why, I do not know. That does not show by any means that it is entirely composed of those coming out of the war work.

Mr. BLAND. In view of the fact that the Army is being demobilized, and in view of the fact that you hope to get the cooperation of the States very fully in this work, do you regard it as essential that you have the same appropriation now, the same amount of money, as you will have in 1922?

Mr. SMYTH. Well, Mr. Bland, I may answer that in this way: We estimated when we appeared before the House committee on the sundry civil bill in February of this year, where we were planning at that time for a straight Federal service without State help, we estimated at that time that the cost would then be about eight or ten million dollars.

Mr. BLAND. But you are asking for four million for the years to come, when there should not be so much work for the bureau. Do

you think it is essential at this time, with the present scarcity of money, that you should ask for an appropriation of \$4,000,000 a year, in view of the fact that you do not know what the condition of affairs will be at that time. I should say that there is a strong probability that there will not be a demand for so much money on account of the participation of the States and the demobilization of the Army.

Mr. SMYTH. Well, unless there is some particular reason for it, I would judge that if it were made for one year and then taken care of as it developed—

Mr. BLAND (interposing). Let me ask you one question that I started to ask you a moment ago about the extent of the States participating in it. Mr. Smyth, our idea was that the States should ultimately participate in this entirely, all of the States. But there are only about 12 States now that have a service which could participate. We anticipate that in most of those States some legislative action is necessary in order to enable them to take and extend the Federal fund under this bill, and therefore—

Senator KENYON. I think that that is a very important question.

Mr. BLAND. Let us take in Indiana, for instance, which is one of your leading States in the employment service—

Mr. SMYTH (interrupting). They have a very admirable law in Indiana.

Mr. BLAND (continuing). This last legislature in Indiana appropriated a sum of money to be used in connection with the Federal Employment Service. Do I understand under this bill as drafted that the Secretary of Labor is authorized to contribute as much to another State of equal population, where such a provision is not made by the legislature, as you would contribute to Indiana, or can he take half of that sum and contribute that to Indiana, and Indiana has to make up the difference?

Mr. MAHER. I do not understand that you contribute to any State unless they have made an appropriation. That is the theory of the bill.

The CHAIRMAN. Read section 4 of the bill.

Mr. BLAND. The bill states that—

Not less than 75 per cent of the money appropriated under this act shall be allotted by the Secretary of Labor among the several States on the basis of their respective populations to be available for the purpose of establishing and maintaining systems of public employment offices in the several States in accordance with the provisions of this act. In case the sum paid over to the treasurer of any State, under the provisions of section 4 of this act is less than the amount allotted to such State on the basis of population, the balance of such allotment may be reallocated by the Secretary of Labor for use elsewhere in carrying out the purposes of this act.

The CHAIRMAN. Now, read section 4.

Mr. BLAND. That reads—

that when any State has made or hereafter shall have made an appropriation for the maintenance of a system of public employment offices under State control and is maintaining or is prepared to maintain such system in cooperation with the United States Employment Service, there shall be paid to the treasury of such State, upon certificate to the Secretary of the Treasury by the Secretary of Labor, for the uses of the system of public employment offices in such State, an amount not exceeding the amount allotted for the current year to such State by the Secretary of Labor as hereinbefore provided, etc.

But that does not provide that you shall not contribute to the State that has not made any provision, and, as I understand it, the Secretary of Labor could contribute to a State as much money as he deems necessary, even though the State should not furnish any funds itself.

Mr. SMYTH. Under the allotments, yes; but the words "contribute—

Mr. BLAND. Can't you answer that question, yes or no?

Mr. SMYTH. It can not get a contribution at all, a direct contribution. What it does provide under "a" of section 5, is that if there is no service or system of public employment offices under the control of the Director General of the United States Employment Service, that the Secretary of Labor shall maintain a service.

Mr. BLAND. And as such he can spend as much money as he pleases—

Mr. SMYTH (interrupting). He can spend money doing that.

Mr. BLAND. Then, as I take it, there is no encouragement to a State to appropriate, as Indiana has appropriated, a sum of money to be used with an equal amount of money from the Government; to all intents and purposes it would be practically as well for them, under this bill, to not come in—

Mr. SMYTH (interrupting). Of course, the purpose of drawing this was to meet the conditions in the State that have not come in—

Mr. MAHER (interrupting). Has not the Secretary of Labor answered these questions on the first day of his statement here?

Senator KENYON. He said that it was a temporary matter, but in the bill itself it does not so state. Under the first part of section 5 it states "that during the current fiscal year and the two ensuing fiscal years."

Mr. SMYTH. Now, whether or not the two years is the proper time or not is the question, but the reason for that was because of the fact that the legislatures did not meet.

The CHAIRMAN. The bill itself speaks for that. I would like to inquire whether or not if you remember an appropriation of \$10,000,000 that was asked for last February?

Mr. SMYTH. Yes, sir.

The CHAIRMAN. What was that \$10,000,000 to be used for, Mr. Smyth?

Mr. SMYTH. That \$10,000,000 was asked for on the basis of a solely Federal service, a continuation, not of a cooperative service, on the basis that the service was then operated, was something like 900 offices.

The CHAIRMAN. How much money did it take to operate the system in 1918?

Mr. SMYTH. For the current fiscal year, we will actually have operated for \$5,700,000, but during the last two or three months we have been operating with contributions. The total cost I would imagine would be about \$6,500,000.

Senator KENYON. Have you used up all of the \$5,000,000?

Mr. SMYTH. I can not state.

Senator KENYON. Now, about the question of salaries paid the men and all that, do you intend to explain that or will Mr. Densmore?

Mr. SMYTH. I think that Mr. Densmore will explain that more in detail. I may make this comment about putting the salaries in the bill.

Mr. HERSEY. You are a member of this old organization, the present one, are you not?

Mr. SMYTH. No; I am not a member. My resignation has become effective.

Mr. HERSEY. But you have been a member of the United States Employment Service, have you not?

Mr. SMYTH. Yes, sir; up to about a week ago.

Mr. HERSEY. One of the principal arguments made for continuing this public service is that it is a clearing house for labor, by one State, through the Federal Employment Service furnishing a surplus of the men on hand to some of the States that need them, a clearing house that you would not get without such an organization.

Mr. SMYTH. Yes, sir.

Mr. HERSEY. I notice, under the late organization, a rule was made under general order No. 16, issued on January 22, 1919, that the Employment Service has taken the position that it will not supply the labor, and will not publish or in any manner promulgate information concerning workmen wanted where a strike exists or is threatened. Do I understand that under this arrangement, if this bill becomes a law, that this same policy is to be carried out, that where there is a strike, for instance, in my State, and men are needed, and the men have gone out and will not work, and men are needed for that place, that this Employment Service will not publish or in any manner promulgate information concerning workmen wanted because a strike exists or is threatened?

Mr. SMYTH. I understand that will be the policy adopted by the Secretary of Labor. I would like to introduce in evidence in full that document in its complete form inasmuch as it has only been partially quoted. May I introduce in evidence that order, because only parts of that order are quoted in the question?

The CHAIRMAN. Yes; if there is no objection.

Mr. SMYTH. It is the order promulgated by the Secretary on the subject of the policy of the department in regard to strikes.

The CHAIRMAN. Yes; it may be received and placed in the record at this point.

(The order referred to is printed in full, as follows:)

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE.
Washington.

From: Director General. General Order No. 16.

To: Staff and Federal directors. Issued January 22, 1919.

Subject: Policy of department in re., effective at once, labor troubles.

Pursuant to directions of the Secretary there is published herewith for the information and guidance of all officers and employees of this service the substance of a memorandum, dated January 21, 1919, in which the Secretary of Labor has defined the policy of the department with respect to the direction of persons to employment where labor troubles exist or are threatened:

"It is the policy of the department to remain absolutely neutral in cases of labor dispute until some authorized governmental agency has determined the questions at issue. There has been some differences of opinion concerning what constitutes neutrality. The attitude of the department has been that it

should keep its hands off of the situation entirely so far as its Employment Service is concerned. It is a proper matter for the conciliation service to handle. Consequently, on June 5, 1916, I directed a memorandum to the Assistant Secretary as follows:

"It is not deemed advisable, nor in accordance with the authority given to the department by the organic law 'to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions and advance their opportunities for profitable employment,' to publish or in any manner promulgate information concerning workmen wanted where a strike exists or is threatened. To pursue such a policy would be simply sending people from where there is a surplus of labor to places where there is already a sufficient supply of labor. When a strike exists or is threatened it is *prima facie* evidence that the workers who have had experience in that employment do not look upon it as being profitable, and that they are persons qualified to do the work is evidenced by the fact that they have been doing it. A situation where a strike exists or is threatened contains these elements:

"1. The workers who have had experience with the employment do not look upon it as being profitable.

"2. There is a sufficient supply of labor already there. The problem involved is not one of supplying more labor, but one of satisfactorily adjusting the terms of employment.

"3. The persons engaged in the dispute are qualified to perform the kind of work required by virtue of the training and experience they have had, which would not always be the case with persons without previous experience in that employment.

"4. We can not convey information of employment to be had where a strike exists or is threatened without being placed in the position of actively assisting one of the sides. If we do not convey such information, our position is entirely passive.

"5. The Department of Labor is authorized to promote industrial peace rather than industrial disturbance.

"In view of these facts the Department of Labor can not be made the medium through which information may be conveyed which may induce workers to accept employment where there is already a sufficient supply of labor, and where the termination of the dispute will either result in their being dismissed from the service they have accepted or will leave other workers who have been on strike unemployed. Nor can it be a party to inducing men to accept employment where their presence will act as a disturbing rather than a peace-making factor.

"These instructions will continue as the policy of the department.

"Since the promulgation of the memorandum referred to several Federal agencies authorized to adjust labor disputes have come into existence. It will be our duty to recognize the validity of such decisions as these agencies may make. There is, therefore, added to these instructions and made a part of them the following:

"Whenever any authorized governmental agency has rendered an award in a strike or other labor dispute the policy of the department will be to supply the labor, if any be needed, to carry the award into effect.

"Officers and employees will be held responsible for the proper observance of the foregoing. It is directed that the receipt of this order be promptly acknowledged, and that certificates shall also be made by Federal directors that copies have been transmitted to their subordinate local officers.

"J. B. DENSMORE,

"*Director General.*"

MR. SMYTH. Are there any more questions about the provisions of the bill itself?

Senator KENYON. I do not think that you have answered that question that troubled me. Can a State that has absolutely no employment agencies get any money under this act?

MR. SMYTH. Answering that, I will say, Senator, yes; but I want to qualify it in this way, that no money is paid to the State treasurer, but the State does get the money in the sense that the Federal Government does maintain a service in that State, limited to a period of two years. After two years, if the State makes no appropriation, there will be no money spent under that act.

Senator KENYON. Does it carry on the service within the State?

Mr. BLAND. Is there a provision in this bill that says that if the State does not make any provision it will not get any money, that there will be no Federal Employment Service run by the Government there after two years?

Mr. SMYTH. The Secretary, under the first subdivision of section 5, or under section 5 by which he is authorized to make the expenditures of the money which he allots, it is provided that during the current fiscal year and the two ensuing fiscal years the Secretary of Labor shall have authority to expend in any State so much of the sum apportioned to such State on the basis of its population, and so much of the unapportioned balance of the appropriation made under the provisions of this act as he may deem necessary as follows—then there are two clauses. Those cover those States where there is nothing in the State, where there is no State system of public employment offices, that he can maintain and establish a system, maintain and establish a service, and in a State where there is a Federal service but where there is no authority in the State treasurer to receive and use for the purposes of the system the moneys appropriated he may establish a system in a manner as may be agreed upon between the Secretary and the governor of that State, by some joint agreement by the governor of that State and the Secretary, but that pending the conclusion of the agreement it can not be established for more than six months. The purpose of that was to keep out a duplication. The six months was put in merely to allow the Secretary time to make the agreement for a cooperative plan in such States.

Section 4 provides the ultimate aim of this bill, that is the joint system, very much the system as that in the old bill introduced by Senator Robinson.

Mr. CASEY. As I understand the language that you have just quoted, it was put in the bill in order that an opportunity may be given to the legislature to make appropriations—

Mr. SMYTH. Well, section 4 which states the ultimate purposes of the bill, and it has to do with the time that it takes the legislatures to make the appropriations, and section 5 has been put in to handle the situation during the interim, so that after that interim any State that does not appropriate money gets absolutely nothing.

Mr. BLAND. I do not think that this bill is sufficiently explicit—

Mr. SMYTH. They come under the Federal service after two years. It might be made clearer.

Mr. BLAND. I think that this bill is not sufficiently explicit to prevent the Secretary of Labor from at least carrying on the service in the State—

Mr. SMYTH. Well, if there is any doubt about it, it should be removed by a change in the language, because the purpose is entirely clear, and the thought of the drafters was that the Secretary of Labor had only the authorization to spend the money only under sections 4 and 5, and the authorization under section 5 is limited, but the words "and no longer" might be inserted there.

The CHAIRMAN. Well, gentlemen, we have been spending a good deal of time in a discussion or an explanation of the bill. If the testimony is taken, and the committee decides to report the bill out, of course we would hold a meeting at which we would determine the

language of the bill, but unless from the testimony that such a bureau ought to be established, and decide not to report out the bill, of course the time taken now is wasted, but you have been permitted to continue, because you were one of the authors of the bill, and you can tell us, if you have any other reasons why you think we ought to establish this bureau.

Mr. SMYTH. I would like to show, with regard to the wheat crop, a poster which has been put up in 50,000 post offices.

The CHAIRMAN. When?

Mr. SMYTH. This spring.

The CHAIRMAN. How long does that harvest last?

Mr. SMYTH. And we have from Mr. Waters, of the Kansas City Star, a telegram to the effect that 75,000 men are needed in Kansas, beginning June 20 and 25 of this year from out of the State.

The CHAIRMAN. About for how long a period?

Mr. SMYTH. That I do not know.

Senator KENYON. Where do you get those men?

Mr. SMYTH. We get them through this kind of publicity in all of the post offices. Those men are invited who are interested to communicate with this central bureau, and we send them a special bulletin giving them information as to the men required, the amount of wages, and the men needed in the various States and how to get work.

The CHAIRMAN. Will you have that appear in the record?

Mr. SMYTH. Yes, sir.

The CHAIRMAN. If there is no objection the notice or poster will so appear.

(The poster referred to is here printed in full in the record as follows:)

WHEAT HARVEST IN THE "BIG WHEAT BELT."

Reports show that 20,000,000 acres of wheat have been planted in Texas, Oklahoma, Kansas, Missouri, and indications are that an additional 20,000,000 acres will be planted in Iowa, Nebraska, Minnesota, the Dakotas, and other Northern States.

Men expecting to work in the harvest fields of the Central West this season should write for detailed information regarding cutting dates, working conditions, wages, locations of distributing offices, etc., to U. S. Employment Service, Harvest Labor Headquarters, 804 Grand Avenue, Kansas City, Mo.

Postmasters: Please post in conspicuous place.

U. S. DEPARTMENT OF LABOR.
U. S. EMPLOYMENT SERVICE.

Senator KENYON. Mr. Smyth, you put this up in the post offices in the East?

Mr. SMYTH. No; largely in the wheat belt.

Senator KENYON. How far away from the wheat belt do you place those?

Mr. SMYTH. I am informed now that they are placed in all places east of the Mississippi River excepting the extreme New England States and Florida.

Senator KENYON. And how does the man get there in order to get his \$4 or \$5 a day?

Mr. SMYTH. He applies to the Employment Service office, and he gets information as to how to get there. At the present time he gets there on his own funds.

Mr. GOULD. Or "rides the rods" to that place. as the Secretary of Labor stated?

Mr. SMYTH. Yes, sir.

Senator KENYON. You have no way of getting him back and forth, have you?

Mr. SMYTH. No, sir; we have not.

The CHAIRMAN. Was there any complaint during your administration that this Employment Bureau was operated as the political machine or for the formation of unions?

Mr. SMYTH. I have heard no complaints whatever; yes, I have heard of a complaint in the State of Indiana that it was operated in behalf of the Republican organization, but upon investigation we could not find that there was anything in it. That is the only political complaint that I have heard of.

The CHAIRMAN. And how about complaints to the effect that it was being operated for the purpose of helping the unions?

Mr. SMYTH. Well, the only complaint that I know of, specific complaint—I have heard a lot of general criticism, but I know of only one instance—we have tried in all instances to get at the facts in regard to the general criticisms. The only cases have been the Seattle situation, to which the Secretary of Labor referred to, and one other that is referred to in this bulletin by the National Manufacturers' Association to a situation in Muskegon, in Michigan. There were some skilled labor scouts who were operating under Mr. J. W. Litchfield, who was in charge of the skilled-labor work. He is not an organized labor man. He is a graduate of the Massachusetts Institute of Technology and is not a labor man, but, on the other hand, he has been connected with the employers. These scouts that I have mentioned and who were operating up in Michigan were members of the union. They were charged with operating in behalf of the union, and evidence was sent on to us to the effect that they had made speeches at a meeting there in which they were charged with urging everybody to join the union, and that they had stated that they had everything their own way in the Federal jobs. That is what they were charged with. Mr. Litchfield called these men in and he gave their cases a very thorough examination, and with regard to three of them he was convinced that there was no basis for the charge, but with one he was convinced that there was some basis, and he was let out.

The CHAIRMAN. What was his name?

Mr. SMYTH. I do not remember, but I can get it for you. With the others, in order that there might be no further difficulty of any sort in that neighborhood, and because of the fact that they were roving scouts, they were sent into the State of Massachusetts and there was never any further complaint of any activities on their behalf. With regard to this one man, I think he had made speeches which he ought not to have made. That is the only instance that I know of where anything of that sort was done. However, with 5,000 employees, I do not doubt that some one of them violated every commandment in the Ten Commandments, but it is not fair to charge this up against the management.

Now, the charge of extravagance has been made against the bureau. The actual cost per placement, and the equipment and everything

has been about \$1.40 per placement, which I think you must agree is extraordinary low.

Mr. GOULD. That, of course, is based, I assume, that nearly five millions were placed, and that every one of them who was given credit as a placement, really did go and get the job.

Mr. SMYTH. Yes, sir.

Mr. GOULD. Just as a matter of curiosity, I would like to ask if it would have been possible in any one of the large city offices for a man to go to one subdivision in an office and ask for employment in that one subdivision, and I understand that there were subdivisions for about 16 different classes of work, and then could he not go to the various other subdivisions and ask to be placed in other lines of work, and his name appear in 16 or 18 different divisions, and if each division would not show that you had sent 16 men at these different places?

Mr. SMYTH. No; it would not. It might be possible that 16 men were reported as registered, but only one man as placed. We have had instances where we have caught men who have padded their records of placement, but we use every effort to correct it.

Mr. GOULD. The purpose of my question was that I wanted to get a clear idea as to whether or not the figures would be fairly accurate, or would there be a chance—

Mr. SMYTH (interrupting). I think that they are substantially accurate on placements, tested by the number of men referred, and the correction of those where there has been padding.

Mr. GOULD. I heard of one man who went through one of the branch offices in New York and registered for 25 different jobs in one afternoon—or 20 different jobs.

Mr. SMYTH. He might be registered, but that would be different from placing. He would be reported only once as placed.

Now, comparison has been made to show the inefficiency and extravagance of the service with three State offices in Massachusetts and the Federal office. There is a further reason than that pointed out to you by the Secretary of Labor why we can not tell you what the State offices did in comparison with the Federal offices, aside from the one that the Federal offices and the State offices are so tied up that you could not discriminate. In all of the State offices in New York there have been Federal employees, and in some of them the rents have been paid by the Government. In Ohio we have been operating through the old State offices, and they are apparently State and Federal offices, but 60 per cent of the whole expense of the offices was paid by the Government, and it was operated under a State official in charge, although it was really in charge of a joint Federal and State officer. Now, similarly, these three offices in Massachusetts, while operated largely under State control, had in them, I believe, one or two Federal employees in each office, and they had the Federal franking privilege, and they were used as a distributing center. In Springfield the Federal service recruited men from all over the State and sent them to Springfield, and the Springfield office got the credit, while a considerable portion of the expense of the office was paid by the Government, and so it was impossible to make any comparison because they were so greatly confused, and any comparison of that kind was entirely unfair.

Now, Mr. Chairman, I would like to add a word of personal testimony. As I stated I am not a labor union man. I am a lawyer, and my work and associations have not been with the labor unions. I have the utmost respect for what they are trying to do, and I have been in this service now for a year and a half watching everything that has been done, and what they have tried to do. I can not vouch for some individual employee here and there, I can not say but some individual employee among the five or six thousand, but some one may have committed any offense possible, but any statement that there has been on the part of the officers or those directing the Employment Office, or the Department of Labor any attempt to use them in any other than a neutral way, to use them in the interest of organized labor, I know as a fact is not correct, and I assert that with all possible conviction.

Mr. MAHER. Now, you have detailed your position in the case of a strike in a State—

Mr. SMYTH. Yes, sir.

Mr. MAHER. The Secretary of Labor made himself very clear on that.

Mr. SMYTH. Yes; that is the Secretary's position. If you want my personal position I will give it. Personally I prefer the phraseology that is used by the legislatures of some of the States, in the legislation, that no one shall be directed to a place where a strike is on without indorsing on his application card the fact that a strike is there. We all agree on the fact that the proper position for an employment service to take is one of neutrality. When you have a strike on, the practical question of how to be neutral is a difficult one, because in some instances action is unneutral an inaction is unneutral, that is to simply do nothing about the plant and take no action, that under some cases might help the employees.

Mr. GOULD. But this is a public bureau, operated by the people and for the people—

Mr. SMYTH. It is hard, in my judgment, to really say what to do, but the real way of securing neutrality would be under the provision that men can be notified at those places when he makes application for employment, that a requirement at those places should be that he must be notified of the actual conditions existing. But what I wanted to point out further is that this order provides that whenever any authorized governmental agency has rendered an award in a strike or other labor dispute, the policy of the department will be to supply the labor if any be needed, to carry the award into effect, and we will supply the men for that position.

Mr. GOULD. Is that order clear in that respect?

Mr. SMYTH. Yes; the order is clear in that respect.

Mr. MAHER. The Secretary's position was that the strike itself would come under the province of another branch in the Department of Labor.

Mr. SMYTH. Yes; and that the settlement of that strike does not come within the sphere of the Employment Service.

Mr. GOULD. Have you any figures there showing the amount of money spent in the different States.

Mr. SMYTH. Mr. Densmore has that State by State. May I read that order about governmental agencies?

Whenever any authorized governmental agency has rendered an award in a strike or other labor dispute, the policy of the department will be to supply the labor, if any be needed, to carry the award into effect.

Mr. GOULD. It is not mandatory at all.

Mr. SMYTH. It is not mandatory. The object is to stay out until there has been some opportunity to settle the strike, and then to follow the decision of the body that has settled it, but I think as a practical matter, not as a theoretical one, that probably the Secretary's position is more practical than my own. I think the method of practical neutrality, in that regard the Secretary is wiser than I am.

Mr. GOULD. Is it in the record who drew this proposed legislation?

Mr. SMYTH. At the outset, before you came in, I stated who were present at the conference.

Mr. CASEY. The whole thing was to be developed at this one conference held in April of this year. Have you any information relative to a conference being held previous to that, to draw legislation along this line?

Mr. SMYTH. Yes; I think two or three years ago there were quite a number of conferences, and this conference was the result of those conferences. It has been along the line of the bills that have been drawn and presented here with this difference, that we had no employment service established in the States, we did not have the soldier demobilization, and we were not changing from war industry to peace industry. Then you could afford to wait within the State until the State acted itself. This bill is drawn with the present industrial transition, and with the idea that with the employment services in those States during this transition that you ought to make an interim provision to take care of the situation for a year or two until we can establish the systems in the various States.

Mr. CASEY. As you are aware, the advisory council of the Secretary of Labor, who were arranging for this national war labor program, held extensive hearings, and drafted a bill which was submitted to the Secretary; fundamentally, how does this bill differ from the bill drafted by the advisory council?

Mr. J. B. DENSMORE. What council is that?

Mr. CASEY. The advisory council of the Secretary of Labor.

Mr. SMYTH. I do not think that they drafted a bill. I do not recall the bill that they drafted.

Mr. CASEY. They drafted a bill for an employment service providing for a Federal and State service.

Mr. SMYTH. I think I will have to have that hunted up.

Mr. CASEY. The reason that I ask that question is that the advisory council was composed of experts and by the unanimous vote of all of them, in view of the information that was before the advisory council, a unanimous report was made to the Secretary of Labor, and I would like to know how it differs from this bill.

Senator KENYON. I would like to say as to the genesis of this bill, that I received a letter from the Secretary of Labor inclosing this bill, and it was referred to the Committee on Education and Labor. I do not think that the Secretary of Labor stated in that letter that it was his bill, and I do not intend to commit myself to the provisions of the bill while favoring the general principle of the bill.

The CHAIRMAN. I will say that I received the bill, and because for several sessions Mr. Nolan has introduced a bill for this very purpose, I thought that he, being interested to that extent, that out of courtesy it would be the proper thing to do to allow him to introduce the bill.

Senator KENYON. I will put the Secretary's letter into the record later.

Mr. SMYTH. I would like to state that the purpose of the conference was not to insist upon any form of bill, but to facilitate having a draft of the bill before the committee.

The CHAIRMAN. Before you close, Mr. Smyth, you stated about sending three organizers or agents from Muskegon to Massachusetts. You took them out of Muskegon and sent them into Massachusetts?

Mr. SMYTH. Yes, sir.

The CHAIRMAN. What assurance did you have that they would not continue their same efforts in behalf of union labor in Massachusetts?

Mr. SMYTH. Let me explain, Mr. Chairman, that the evidence we had as to their having made those efforts in Muskegon came through certain private detectives and that matter was investigated very fully by Mr. Litchfield, who was an employer, or who had been associated with employers, and after investigating the evidence he came to the conclusion, after examining these three men thoroughly, that they were not guilty and had not done what they were charged with doing, and they themselves stoutly denied it, but to avoid any trouble we took them away from there.

The CHAIRMAN. And you acted on your own investigation of the matter; that is, the service did?

Mr. SMYTH. Yes, Mr. Chairman; and I will say that we made the investigation as promptly as we could after it came to our attention. All of them were given to understand that any such course was against the policy and traditions of the department.

If I may add just one word as regards the criticisms of inefficiency. Of course, the service has been inefficient in a great many respects. That was but natural. Nobody in this country knew anything about this question of help wanted and work wanted at the start. It was an organization which was shot out into the 48 States, after the war had been in progress over a year, and a lot of good men had gone into other work, and we did not know the game, and we had to get a man and set him at work, and we had to build up the organization and operate it on an enormous scale while doing that. Of course there was inefficiency, and it was an inefficiency which the service has been trying to wipe out, but to-day I believe it is to a great extent a thoroughly efficient service. I think many of the charges came because of two reasons, and maybe three reasons. The first of them is where they have encountered the real reason—inefficiency. The second is this: Employers after employers ask the Employment Service to furnish them with men during the war when there were not any men to be had, and in many instances they were sent what we could get for them, and in many instances they were no good. We were simply doing the best that we could for them, and it is not fair for anyone to say that because, in war time, they

made application for certain men and they did not get the right men; it was not fair for them to say that because of that fact the service was inefficient. We could not get the men. You can not create men. The third reason was, the Employment Service was called upon during the war to do a very difficult thing and which inevitably brought against it a great deal of opposition. Under the promulgation of an order of the President, made the 1st of August, the service was called on to try and control and monopolize the whole furnishing of unskilled labor. Prior to that time employer after employer had been sending out their own labor-scouting organizations. Many of them had been getting their labor at the expense of some other employer. That abuse had grown and the country had come to the conclusion that it had to be stopped.

One of the things that the Employment Service had to do was that of repression of the activities of the individual employers from which they, or an employer as an individual, in a large number of instances suffered, while the country as a whole was benefited. If we wanted to get men at Baltimore, say, to get shells across, we had to take those men away from some man who was making something not to be used for two years. A good many of them will say that we were inefficient. Then, I am frank to say, and I am in a position to state, that I think a good deal of the agitation against the Employment Service emanates—of course, it does not come to you from that source, but from persons who have been written to by that source, and we have some evidence on that—from a certain group of employers who have constantly fought the Labor Department, and who are interested themselves in dominating the present labor situation, and do not want a neutral service. They have maintained their own employment service previously, and they have had cards made that contain the records of their former employees: records made by foremen, who did not give the men a hearing, and, as a consequence of that, the men have branded the method as a blacklist. Of course, it is an enormous convenience to an employer, because the employer likes to know what happened to a man at his former place. I do not believe that those employers want to see the development of a large official employment service, which they can not in any way control. They are not in favor of it, and there has been a great deal of propaganda started.

Mr. GOULD. I will say that I had sent to me, a week or two ago, a digest which approved some of the things of the bureau, and also contained criticisms from a federation that represented the employers of about 4,000,000 men. I do not think that there is any particular one group of industries or corporations that are interested in fighting the Employment Service.

Mr. SMYTH. I would not say that it was fair to say that it came from just one group. There are two or three groups.

The CHAIRMAN. Have you heard any charges of extravagance by this bureau, and what have you to say about that?

Mr. SMYTH. Well, what I would have to say, Mr. Chairman, would be very much what the Secretary said yesterday. Inevitably there has been money wasted in false moves. The average salary over all of the Employment Service has been about \$1,200 a year. I think I have the figures on that. The best answer that I can give to the

question of extravagance, is the actual cost in comparison with the work it has done, which figures out along about \$1.40 per placement, charging in that all off the cost of organization, which any of the ordinary corporations would not do; I think you can find places where money has been wasted, and I think it is absolutely impossible to do anything off this sort without waste and extravagance: but measured by the work done, it has been done cheaply and every effort has been made to eliminate any extravagance.

On the question of using the organization for labor unions, I would like to introduce a list of the Federal directors for the States, which was produced before the civil sundry bill hearings, and which has been copied from that—

Senator KENYON. Does it show their politics?

Mr. SMYTH. No; only their relationship as to whether they belong to unions, because charges were made of that kind. It shows nothing about their politics.

The CHAIRMAN. It may be received.

(The list referred to is printed in full, as follows:)

Maine: Charles S. Hitchborn, president First Granite National Bank, Augusta, Me.

Vermont: Robert W. Simonds, lawyer and commissioner of labor.

New Hampshire: E. K. Sawyer, merchant, department store.

Massachusetts: Everett W. Lord, dean, school business administration, Boston University.

Rhode Island: George H. Webb, formerly secretary chamber of commerce, commissioner of industrial statistics, director workingmen's compensation, superintendent State employment office, director of draft in Rhode Island, Army commission of captain, colonel on governor's staff.

Connecticut: David Elder, formerly instructor Smith's Agricultural School, Northampton, Mass., connected with Farm Bureau and Farm Management, Department of Agriculture.

New York: George W. Kirchwey, acting director, formerly dean, Columbia Law School.

New Jersey: Lewis T. Bryant, real estate business, State commissioner of labor.

Pennsylvania: Harry L. Parks, acting director, employment manager, Union Oil Co., Los Angeles, Calif.

Maryland: Thomas M. Barr, acting director, civil-service employee.

Virginia: James B. Botts, formerly member firm of Darris & Stephenson (Inc.), insurance.

West Virginia: Lemuel B. Spaum, immigration inspector, Immigration Service.

Ohio: Industrial commission, T. J. Duffy, chairman.

Michigan: James V. Cunningham, former State labor commissioner (member organized labor).

Wisconsin: George P. Hambrecht, lawyer and employer, chairman Wisconsin Industrial Commission.

Indiana: H. H. Buskirk, banker, manufacturer, and farmer.

Illinois: P. L. Prentiss, civil-service employee.

Minnesota: Hugo Koch, deputy labor commissioner, Minnesota, Department of Labor, from civil-service list.

Kentucky: W. Pratt Dale, lawyer (formerly counsel for chamber of commerce).

Missouri: W. W. Brown, lawyer, formerly member Brown & Steward.

Tennessee: Joseph T. Ware, physician.

North Carolina: George J. Ramsey, president Pease Institute, Raleigh, N. C.

South Carolina: John L. Davis, secretary-treasurer South Carolina Federation of Labor, secretary-treasurer City Federation of Trades, member South Carolina Board of Conciliation and Mediation, employee of newspaper.

Georgia: H. M. Stanley, State commissioner of industry and labor.

Florida: Gideon B. Travis, civil-service employee.

Alabama: George B. Tarrant, real estate dealer.

Mississippi: H. H. Weir, president State federation of labor, newspaper, creamery, and farm-products business employee.

Louisiana: T. J. Greer, assistant labor commissioner, president State federation of labor.

Arkansas: R. B. Keating, Immigration Service, Conciliation Service.

Iowa: A. L. Urlick, State commissioner of labor.

North Dakota: William L. Van Horn, acting director, insurance business, and formerly clerk to Committee on Pensions, United States Senate.

South Dakota: Charles McCaffree, five years immigration and industrial department, newspaper and advertising, directing farm-labor work, four years.

Texas: H. W. Lewis, railway official, formerly State labor commissioner.

Nebraska: Charles H. Davis, acting director, formerly assistant manager in charge of employment matters for the Helping Home Institute, Kansas City, Mo.

Kansas: J. Will Kelley, formerly secretary, Chamber of Commerce, Topeka.

Oklahoma: Claude E. Connally, assistant commissioner of labor, six years State forestry inspector.

Montana: Scott Leavitt, formerly official of Forestry Service.

Wyoming: Edward P. Taylor, fire chief, commissioner of labor and statistics.

Colorado: Rody Kenehan, formerly State treasurer and State auditor, secretary district exemption board.

New Mexico: D. A. MacPherson, business manager, newspaper.

Arizona: Paul Davies, acting director, formerly president of Kentucky Coal Operators' Association, purchasing agent for University of Kentucky, copper administrator for State of Arizona, and member of President's Mediation Commission.

Utah: Parker B. Cady, acting director, formerly superintendent in manufacturing establishment and connected with State free employment bureau.

Washington: Lawrence Wood, Immigration Service.

Oregon: Wilfred F. Smith, Immigration Service.

Nevada: J. C. Coniff, business man.

California: William T. Boyce, Immigration Service.

Delaware: Simon F. Doherty, secretary police commission, Delaware; secretary State senate; inspector, Dupont Co.; employer in laundry business.

District of Columbia: E. M. Kline, civil-service employer.

Idaho: Edward H. Hasbrouck, appraiser of land, Idaho; foreman of construction, Idaho Power Co.; foreman Sunnyside Mining Co.; superintendent of maintenance of highway, State of Idaho.

I want to say further that in every State we have had an advisory board, advising our directors, and in every community we tried to have on that board a representative of the employers, a representative of labor, and a representative of the public service.

The CHAIRMAN. We are very much obliged to you, Mr. Smyth, for coming here.

The question of adjournment will come up at this time. What is the wish of the committee?

Senator KENYON. Mr. Chairman, I move that we adjourn until Tuesday morning at 10 o'clock sharp.

(The motion was seconded and was carried by a unanimous vote.)

(Whereupon, at 11.55 a. m., the hearing was adjourned until Tuesday, June 24, 1919, at 10 o'clock a. m.)

NATIONAL EMPLOYMENT SYSTEM.

TUESDAY, JUNE 24, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 a. m., in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senators Kenyon, Smith, Sterling, and Phipps; Representatives Smith (chairman), Gould, Casey, Maher, Bland, Hersey, Nolan, and MacCrate.

Also present: Hon. Fred C. Croxton, former Federal director of employment for Ohio; Hon. Thomas L. Blanton, Member of the House of Representatives; Miss Grace L. Coyle, State industrial secretary of war work council of the National Young Women's Christian Association of Pennsylvania; W. M. Ellenberger, employment supervisor of the United Gas Improvement Co., of Philadelphia; Mrs. Arthur Edward Bull, office employment manager, Electric Storage Battery Co., Philadelphia, Pa.

STATEMENT OF FRED C. CROXTON, FORMER FEDERAL DIRECTOR OF EMPLOYMENT FOR OHIO.

The CHAIRMAN. Will you give your name and residence and whom you represent here, please, Mr. Croxton?

Mr. CROXTON. My name is Fred C. Croxton; I am here in my private capacity. I am vice chairman of the Ohio branch, Council of National Defense. I was for several months the Federal director of employment for Ohio. I resigned March 15.

The CHAIRMAN. What months did you say?

Mr. CROXTON. I was Federal director of employment for Ohio from about July of last year until March 15 of the present year.

The CHAIRMAN. And what is your residence?

Mr. CROXTON. My residence is at Columbus, Ohio. I was also Federal food administrator for Ohio throughout the period of the war.

I will say, Mr. Chairman, that my interest in and my connection with the employment service dates back about five and a half years, when I accepted the position of chief mediator and chief statistician in charge of the employment service with the industrial commission of Ohio.

Then I went with a private concern three years ago, but that concern was not engaged in employment work, however. As soon as

the United States entered the war I drafted a plan looking toward mobilizing the labor forces of Ohio, and that plan I submitted to the governor. He put the plan into effect and requested me to take charge of the work. As a consequence we began work five days after the United States entered the war. We immediately established 14 employment offices, and then we maintained 21 and later 22 offices in cooperation with the industrial commission and cities. Federal cooperation began about the middle of last year. We had cooperated with them some time before that, but then we began cooperating with them more fully—that is, in the sense of accepting money from them and becoming a full-fledged part of the Federal Employment System. I was made State director of that system, and continued in that position until the 15th day of March of this year.

Now, Mr. Chairman, I am not quite sure what phase of the question you would like to have me touch upon, and I will be glad to have you ask any questions.

The CHAIRMAN. Well, Mr. Croxton, we are here to determine the needs or the propriety of establishing a Federal employment bureau in the Department of Labor. You can tell us first if you are in favor of it, or if you are opposed to it, and make such a statement as would develop your reasons for the position you may take in the matter.

Mr. CROXTON. If you will allow me a little time to work up to that. I shall be glad to do so, but I will say to start out that I am in favor of the Federal, State, and city employment service.

The CHAIRMAN. And we would like to know your reasons why.

Mr. MACCRATE. Let me ask, are you emphasizing all three—the Federal, State, and city employment services—because this bill asks for a \$4,000,000 appropriation for the public service, and I would like to know if it is your idea to have that \$4,000,000 expended in a large, extensive Federal service, or a cooperative Federal, State, and city service, or to limit it in size, or what is your idea?

Mr. CROXTON. I will try to develop that. A public employment office is established for the purpose of furnishing information to the employers and to the workers, for their mutual benefit. The worker gets his information in various ways. He gets it in a limited way through advertising, but quite generally, I should say mostly, he gets his job by going from gate to gate. Now, that method limits his activities. If he is out of a job he can only go to a few gates within a certain day, and he may see four or five or a half dozen employers within one day. I know of one man, a friend of mine, he was not a wage earner but was doing a little investigating on his own account, who in December or January started out to look for a job. He went to a private employment office and after he had been looking for a job for three days he found a place to work within 12 miles, where they were taking on two or three hundred employees, and at the same time men were walking the streets within 12 miles of that plant where they were needing the men so badly.

Now, there is another way by which a workman can get information concerning a job, and that way is by word of mouth. A man may get information in that way of a job through his friends telling him. That has been developed in a most unusual way in certain foreign sections of industrial cities, and there, I may say, it has taken a very dangerous turn. There is a tendency on the part of

the foreign leaders to secure jobs for their fellow countrymen and to participate in what is known as job selling. That happened in Ohio for some time, and it has fallen into my lot to go into that matter in years past, and as a result of the investigations made at that time a bill was passed specifically covering job selling.

Mr. CASEY. Is there much of that going on, Mr. Croxton? Is there much of that going on at the present time?

Mr. CROXTON. Well, we are getting reports of quite a bit of it. Three years ago there was a great deal of it and there was a published report made on the work. Then it was found that the most shameful conditions existed within some plants. Almost without exception that was brought to an end.

Mr. CASEY. Do you mean to say that it was so bad in the State of Ohio that it was necessary for the legislature to act in the matter?

Mr. CROXTON. Yes, sir. It was done largely by means of "straw bosses," and in fact the money passed through several—as many as two or three—hands. I do not know whether you understand the term "straw bosses," but that is a fellow who has only a very little authority. Then it passes from his hands and sometimes it is divided among other men who have more authority. It occasionally goes up pretty high. It got up to men who were carrying rather responsible positions, and it was in that way in one locality that thousands and thousands of dollars changed hands in that way.

That evil, as I say, sometimes accompanies in foreign sections the method of obtaining a job by word of mouth. Then there is another method, and that is through the fee-charging agencies. That has already been demonstrated to you, I take it, and I think it is unfair to expect a man, an unskilled worker, to pay for the right to work, to pay either a straw boss or a fee-charging agency for a job. I am speaking of the unskilled worker at this time.

Mr. HERSEY. Let me ask you, why should not he pay a fee the same as a skilled man? What is the distinction?

Mr. CROXTON. I would carry it further than that, and I would say that I would hope that the fee charging might be abolished for all workmen. The unskilled worker more easily becomes the subject of exploitation. He is not in a position to protect himself, and the fee-charging agencies exploit men the worst way when there is a surplus of labor.

Then, there is the organized worker, who generally gets his job largely through his union. Then there are the public employment offices or agencies; the philanthropic agencies are another source of information concerning jobs, a source of information concerning jobs and a source of information concerning workers. There are several of those organizations, such as the Masonic organization, in some States and cities that have been conducting employment offices for years. There are also opportunities of getting employment information through certain employers' organizations.

Now, Mr. Chairman, personally I strongly favor the public employment office, where information may be secured from a neutral source, a public employment office that has the confidence of the workers and has the confidence of the employers that furnishes information alike to the workers without prejudice, and furnishes information to the employers without prejudice. It must not be

controlled by any type of politics, either partisan, industrial, or any other type of politics.

The public agency serves as a better distributing agency, it seems to me, than any other type. Take the large plants, such as the National Cash Register Co., of Dayton, Ohio, which was the dominating industry in Dayton a few years ago. Such a firm could not get much help through the public offices. But the public office can be of aid to the smaller employer, the smaller plants, by the distribution of labor, by furnishing information concerning jobs that are available there. However, Mr. Chairman and gentlemen of the committee, they serve the unskilled and unorganized skilled and the technical workers rather than the organized workers. It seems to me that that is in some sense an answer to the charge that has been frequently made that the employment service is so closely connected with organized labor. They serve in only a limited way the organized worker, but they serve the unskilled worker, and where the work has been properly developed they serve the skilled and the higher technical occupations.

Now, Mr. Chairman, I shall be very glad to answer any questions that you may have.

The CHAIRMAN. Are you connected with a union?

Mr. CROXTON. No, sir; not at all, and I never have been. I am a farmer boy—

The CHAIRMAN (interrupting). Are you an employer of labor?

Mr. CROXTON. Yes, sir; I have employed help. I am and I have been an industrial war worker for the last three years. I am generally classed as an industrial expert; that is, probably most of my time in recent years has been taken up with that class of work.

Mr. NOLAN. Let me ask, are you connected with the employment service bureau?

Mr. CROXTON. No; not now.

Mr. NOLAN. Are you under the pay of that bureau or have you been?

Mr. CROXTON. I was with the bureau, but I have drawn just \$1 for my work. I am not a candidate for a job, and I have not any interest whatsoever in this bill outside of my general interest in securing proper employment offices.

Senator KENYON. Nor are you a candidate for office.

Mr. CROXTON. No; I am not a candidate for office. I am a private citizen, and I want to get acquainted with my family as soon as I can finish war work.

Mr. HERSEY. Where do you get your pay? Where do you get your money?

Mr. CROXTON. I am connected with the Ohio Institute for Public Efficiency, and they loaned my services to the State and Government for war work.

Mr. HERSEY. They are paying you, are they?

Mr. CROXTON. Yes, sir.

Mr. GOULD. And is that the same sort of an organization as the Bureau of Municipal Research?

Mr. CROXTON. Yes, sir.

Senator KENYON. And how is it financed, Mr. Croxton?

Mr. CROXTON. It is financed by private contributions, Senator Kenyon.

Mr. GOULD. And it is contributed to by wealthy people, is it not?

Mr. CROXTON. Yes, sir. It is merely financed from year to year. I suppose there may be about a hundred contributors or so. I will say I do not know the contributors. I have nothing to do with the financial end. My business is to get team work among the people who are working for higher efficiency, and I will add so that you will understand the matter, that I have no interest in this whatsoever; I have had no salary in any way from the Government, except the \$1 that I spoke of. It is true that when I came down here to Washington I got \$4 a day for expenses, but you all realize how inadequate that is. I have paid as high as \$7 a day for a room.

Mr. HERSEY. Now, Mr. Croxton, let me understand. Do you base your indorsement of the Federal Employment Agency that was done by the Federal Employment Agency during the war?

Mr. CROXTON. No; only in part, and upon a basis——

Mr. HERSEY (interrupting). But merely upon the theory——

Mr. CROXTON. I hope not. I think I know it from a practical standpoint. Practically no one has been more closely connected with public employment work than I have been.

Mr. HERSEY. That is as to the State work——

Mr. CROXTON. Well, and connected up with the Federal work when we combined with the Federal.

Mr. HERSEY. But when you combined with the Federal, you combined with the Federal system during the war.

Mr. CROXTON. Yes, sir.

Mr. HERSEY. And is there any analogy between the work done during the war and the work done in times of peace?

Mr. CROXTON. Yes.

Mr. HERSEY. What is it?

Mr. CROXTON. Well, one thing that the Federal Employment Service did was in the matter of the question of maintaining standards of work, that is the first one, and the second is the clearance or the distribution of labor.

Mr. HERSEY. But in times of peace this transfer of the labor from one State to another is very rarely done, is it not?

Mr. CROXTON. No; it is done quite frequently, I think.

Mr. HERSEY. It is done quite frequently?

Mr. CROXTON. Yes, sir.

Mr. HERSEY. For what purpose?

Mr. CROXTON. Well, it is done for various purposes. If you will allow me to relate this story: I think it was in 1915 I received a telegram from Texas that 1,000 miners were being recruited for Ohio, for Ohio and West Virginia and Kentucky, and they asked me whether there was need for those miners.

Mr. HERSEY. They were ready to go anywhere, were they?

Mr. CROXTON. Yes, sir; they were ready to go anywhere. The situation was this in Ohio: Our miners were probably half of them out of employment in the mining section, and it was a question of how we could take care of them in the Hocking Valley. I telegraphed for further information, and found that a fee-charging agency was recruiting the 1,000 miners, and that most of them were Mexicans, and I guess you know what would have happened in that district where——

Mr. HERSEY. And your national employment service would not handle those men at all?

Mr. CROXTON. Information would have been available which would have prevented such a transfer of labor. In the very same way that the movement of the negroes to the North in 1916 was started, private agencies brought up those here.

Mr. MAHER. And they are still coming up, are they not?

Mr. CROXTON. Yes, sir.

Mr. MAHER. Without any private agency at all?

Mr. CROXTON. No, sir.

Mr. MAHER. And it is not a question of the private agencies going North?

Mr. CROXTON. No; there are other things that enter into that, but a lot of those negroes paid to the private agencies \$1.50 apiece.

Mr. MACCRATE. Now, Mr. Croxton, in regard to the negro migration northward, you do not think that a large percentage of those negroes that have come North have been induced by the private agencies to come North?

Mr. CROXTON. No; I do not. There is a general movement.

Mr. MACCRATE. Has the Federal Employment Service had anything to do with either stopping or helping that movement of the negroes from the South to the North?

Mr. CROXTON. Well, I should say that they had considerable to do with the stopping of that movement during the latter part of 1918 in directly taking over the distribution of unskilled labor.

The CHAIRMAN. What part of Texas were the Mexicans solicited from—do you remember that?

Mr. CROXTON. I can not answer that now, just where it was. My communication was with the officials there. I would be very glad to have the papers here, but have not got them. I was in Washington and did not know that I was to appear before the committee until I was asked by Mr. Densmore.

Six years ago when we took hold of the employment service in Ohio the situation was this: There were five agencies there, and each agency had two employees, and every time that the administration changed the employees changed with the administration—

Senator KENYON (interrupting). And those agencies were maintained by the State, were they not?

Mr. CROXTON. Those agencies were maintained by the State. When we took hold of that, Prof. M. B. Hammond, of the Ohio State University, was a member of the industrial commission, and this matter came under my department. We determined to put these offices on an efficient basis and to run them on an efficient basis, and so we selected high-grade men, without any regard to political affiliations, as superintendents, and the men for the offices were selected through the civil service. There were civil-service examinations held for them, and the first examination was conducted by a representative of employers, a representative of labor, and myself.

Mr. HERSEY. When was that done, Mr. Croxton?

Mr. CROXTON. That was five years ago, under the State supervision. We had on the board a representative of the employers and a representative of labor—

Mr. HERSEY. But how does that show the need of any national employment agency at this time?

Mr. CROXTON. Well, I wanted to clear up the situation about the Ohio agencies. I do not want to tire you if you do not wish to hear it.

Mr. HERSEY. No; go ahead.

Mr. CROXTON. Then the agencies immediately became more efficient, and our difficulty was to hold the high-grade men in the work, because they were offered higher-paid positions elsewhere. But we at once developed the higher-grade work, and put a system in those offices and got the employment offices under a system instead of acting solely as individual offices. This produced a much better effect than existed formerly. We may have had good individual offices in one part of the State, while in another part of the State there were offices which were not so good. There was a need for them to be tied up, if we were going to get the best results. Now, in just the same way all of the State agencies need to be tied together by a Federal employment system, and you must exchange information and must maintain standards throughout the entire area covered.

By way of explanation of what a system can accomplish, let me speak of what happened in 1915 or 1916. In one section of our State where they grow onions the onion crop was destroyed. It was too late for them to replant and that let a lot of people out of work. By our knowledge of the labor conditions in another part of the State we were able to shift the men quickly to another part of the State temporarily. They were farm men, and they could not get work in that locality, but we took them to another locality where they could get work, and made them independent citizens for the rest of the year, and then, after doing that work they returned to the farming locality.

Mr. HERSEY. And that was done through the State organization, was it not?

Mr. CROXTON. Yes; but there was a system——

Mr. HERSEY. And each State has an organization, has it not?

Mr. CROXTON. No; I am sorry to say that they have not.

Mr. HERSEY. What States have no organizations of that kind—organized by the State? I would like to know what States there are that have no labor employment agencies authorized by the statutes of the State.

Mr. CROXTON. I could not tell that without reference to the record, but at the beginning of the war many did not have employment offices, except some that were maintained just like the old State offices were maintained.

Mr. HERSEY. Well, do you not think, Mr. Croxton, if there was any need of them they would have had them, that necessity would make them for them?

Mr. CROXTON. Well, possibly so. But you remember that the employment manager in the large industrial plants is a recent innovation, and it was not realized that he was needed until a few years ago. I am referring to the employment manager in the large industrial plants. The old custom was to discharge a man in one department, and if he was discharged in one department he could not be employed in another department except by complete rehiring. I am not quite sure that the need for employment offices would alone insure their creation within a State. As I was saying, when it came to employing the forces for the war, there were 14 cities in which we thought that

employment offices should be established, and the mayors of those cities were called in to meet with the governor of the State of Ohio, and the cities were asked to furnish a part of the expenses of establishing those offices.

Mr. Chairman, I have some information about the operation of the system within the State. I am not quite sure that you care to have anything more along that line.

The CHAIRMAN. We should be very glad to have anything that you think would be material for your side, and would be very glad to have any information from you. We would be glad to have anything from your side—

Mr. CROXTON. My side is the side of a private citizen.

The CHAIRMAN. We should be glad to have any reason why you are in favor of the Federal Employment Bureau. Have you stated them all?

Mr. CROXTON. May I give just one illustration of the method of handling the situation within the State. When Camp Sherman was located near Chillicothe, Ohio, and the price of labor was established at a little higher rate than was prevailing, than the prevailing scale in that locality, there was a tendency to draw labor from those cities in southern Ohio where the labor rate is lower than in the northern part of the State. The result of that would have been that in a city like Columbus the industries would have been practically ruined, because they wanted about 25,000 employees. The industries in such a city would have been practically ruined—I mean, temporarily ruined—as the men at Camp Sherman were paid on the basis of construction work, and not on the basis of factory work.

Now, Mr. Chairman, we immediately took the matter up, and we arranged to supply all the labor that Camp Sherman wanted by drawing from the various cities of the State in fair proportion. For instance, they wanted 1,000 men, and they notified us of this on a Friday, and we had on Monday morning the men recruited by simply calling on the various offices. We kept the offices open all day Sunday and on Saturday afternoon, also, and had the men for them. Then we got word that they had run short of material, and they asked to have that call for some of the thousand men canceled, and we were able to do that, to stop this flood of men going there. Under another system, or rather with a lack of system, you would have had men leaving their work and going to Camp Sherman by the hundreds, and being disappointed when they got there, because there would not have been work for them.

Senator KENYON. How many State offices have you in Ohio now?

Mr. CROXTON. Well, we have in Ohio at the present time between 25 and 30.

Senator KENYON. And those are carried on entirely by the State, are they?

Mr. CROXTON. By the Federal, State, and city.

Mr. GOULD. But, Mr. Croxton, do you have any expectation that a condition like that would ever come up in peace times, except possibly for crop requirements?

Mr. CROXTON. Well, I do think that this is an extreme illustration, but it shows what was done. If you were to distribute information throughout two or three States that you needed 500 men in Washington at a rate sufficient to attract men, then those men would

keep coming to Washington, and you would get too many. That is what an employment system prevents. It does not distribute men unnecessarily or——

Senator KENYON (interrupting). Now, in regard to those offices in Ohio, what has the Federal Government done?

Mr. CROXTON. I can tell you exactly what they contributed last year, if I may.

Senator KENYON. Yes; how much did they contribute?

Mr. CROXTON. I will be glad to supply you with that full information if you want it. The Federal Government began its contributions about July 1, but for the calendar year 1918 the Federal Government contributed \$107,378.62.

Senator KENYON. And how many Federal employees were there in Ohio?

Mr. CROXTON. I am very sorry, Senator, but I can not tell you.

Senator KENYON. Well, were there a good many Federal employees in Ohio?

Mr. CROXTON. We had at the highest point—we had 41 offices, and those offices were manned by people paid from Federal funds.

Senator KENYON. Forty-one offices?

Mr. CROXTON. Forty-one offices; yes.

The CHAIRMAN. "Officers" or "offices"?

Mr. CROXTON. No; "offices." Employment offices.

Senator KENYON. And the men who were employed there, were they paid by the Federal Government?

Mr. CROXTON. Part of the men who were employed there were paid by the Federal Government, and part by the State and part by the cities.

Senator KENYON. And how many employees did you have in the various offices?

Mr. CROXTON. I can not tell you that, but I will be very glad to get it for you if you wish it.

Senator KENYON. And what were the salaries paid to the men in those various offices?

Mr. CROXTON. Well, our highest salary we paid to the associate director, the man who carried the work with me. His salary was \$4,000 a year. My salary was \$1 a year.

The CHAIRMAN. What had he been doing prior to that time?

Mr. CROXTON. He had been in the employment work. He was in charge of the offices from the time I went there five and a half years ago under my direction, except for about nine months.

The CHAIRMAN. Was he a politician?

Mr. CROXTON. No; not in the least. I do not know what his politics are.

Senator KENYON. You know, or you have heard the charges on the floor and everywhere else in regard to this matter, that it has been a dumping ground for politicians, and that there were tremendous salaries paid and tremendous wages paid. You have heard of those. Can you give us anything that will throw any light on that?

Mr. CROXTON. Yes; I can, so far as Ohio is concerned. There are seven permanent offices in Ohio created by appropriations——

Senator KENYON. And your information is confined entirely to the State of Ohio.

Mr. CROXTON. That is all.

Senator KENYON. And you can not tell the number of employees in the whole works?

Mr. CROXTON. No.

Senator KENYON. Well, all right. Give us that for Ohio.

Mr. CROXTON. Those seven offices. I may speak of them as the permanent offices with permanent employees—their salaries are created by statute, and they are appointed under the civil service. Aside from that I had the appointment of all of the employees in Ohio. Aside from those seven places where there were civil service selections for a part of the employees, I have appointed probably 200 and I have known the politics of but three of them, and it was accidental that I knew the politics of these three. I do not know the politics of the others to-day, and I would refuse to make any inquiry concerning their politics.

Senator KENYON. And what were the salaries?

Mr. CROXTON. I have spoken about the associate director, who received a salary of \$4,000 a year. I consider him the best public-employment man in the country. He has worked up gradually; he was with a railroad company for years, and he has worked up gradually to his present work, and can get a great deal more money outside than he is getting there. The next salary was \$2,500 a year, received by Mr. Maxwell, who is a man with unusual industrial experience, and was with the industrial commission and came over, as did Mr. Mayhugh, when I took charge of the work during the war. He was offered \$3,600 a year to take another job and to leave that work, but he remained faithful to the job there. Then I had two other salaries at \$2,400 a year, and the next jump was down, I think, to \$2,100. As a matter of fact, we could not compete with the outside employer at all.

Senator KENYON. And you can not tell how many employees you had in the 40 offices?

Mr. CROXTON. No; I can not.

Senator KENYON. And can you furnish that information to me, Mr. Croxton?

Mr. CROXTON. I certainly can, and will be glad to do so.

Senator KENYON. Let us take January, 1918—

Mr. CROXTON. If I may suggest, Senator, that was before it became Federal, State, and city. Let us take October, which was just before the armistice was signed and when we were at the highest point.

Senator STERLING. You spoke of the contribution of the Federal Government in that work coming from the Federal Government?

Mr. CROXTON. Yes, sir.

Senator STERLING. Will you give us that amount again?

Mr. CROXTON. Yes, sir; I can. The Federal Government contributed \$107,378.62. I gave that as 2 cents before. Would you like the rest of the figures?

Senator STERLING. Yes.

Mr. CROXTON. Well, the Ohio branch, Council of National Defense, from the State emergency fund, contributed \$72,592.81. The Industrial Commission of Ohio, from the regular fund appropriated regularly by the legislature, contributed \$26,020.81. The city, county, and private fund—may I explain what I mean by private fund?

There have been in one or two of our cities a few people that have advanced funds looking after the handicapped and the junior and other specialities that have contributed a little money. Up to a year ago that fund received about \$3,500 in that way a year. That has been given by men and women of the highest type in those cities. Cities, counties, private, \$24,890, or a total of \$230,881.90.

Mr. HERSEY. For what period was that?

Mr. CROXTON. For the calendar year 1918.

Mr. HERSEY. And the Government gave approximately 50 per cent of that?

Mr. CROXTON. Yes, sir. Now, if we estimate the rental value of the space occupied in the public buildings at approximate rental value, that would raise the grand total to \$255,496.90.

Senator STERLING. Now, for what purpose was this? Was it for the Federal Employment Bureau?

Mr. CROXTON. Absolutely, without restriction; I mean that every month it had to be approved here, but I can not recall having made a single recommendation that was not approved here.

Senator STERLING. Was there any Federal contribution for purposes other—

Mr. CROXTON (interrupting). For payment of salaries and rent and purchase of equipment, payable under my direction. The city plan, we put that up to the cities, that they should furnish quarters, lighting, janitor service, and equipment, and in the seven cities with permanent offices the city paid some employees. When the Federal service came in I was in favor of continuing that participating plan, but we had to organize very rapidly, and we had to buy the equipment with Federal funds and to pay the rent in some cities where we needed enlarged or new offices.

Senator STERLING. I would like to have you state whether or not this was a contribution from the Federal Government, that you used as you chose, or whether it was a contribution which went to the payment of the salaries of the Federal employees, for the payment of the Federal Employment Service.

Mr. CROXTON. It was a contribution for me to use as I saw fit and subject to their approval. Of course it all had to be itemized. I recommended the appointment of a superintendent at such and such a salary. Of course, they did not turn over \$107,000 to me, but to meet the expenses that I recommended.

Senator KENYON. You said "they"; who was "they"?

Mr. CROXTON. The Secretary of Labor—the director general and the Secretary of Labor. Every appointment had to be approved by them.

Mr. STERLING. And did you use \$107,000 in the payment of Federal employees?

Mr. CROXTON. Yes, sir; that is, every man paid by the Federal Government is a Federal employee.

Mr. MACCRATE. Were the old city and State employment agencies' employees put on the Federal pay roll after you got the money from the Government?

Mr. CROXTON. Yes, sir. And the very first thing I did was this, and I am willing to take the full responsibility for it. I increased the salary of our superintendents of the seven old offices. The highest

paid man was \$1,800 a year, and I increased his salary something like \$300 a year. I did that because we could not hold our men with the competition that we had to meet, and I took the superintendents who were being paid by the States and made a contribution of approximately \$300 to them yearly out of the money from the Federal Government, but every one of those employees was a Federal employee.

Senator STERLING. After you received the contribution made by the Federal Government, did the States continue to contribute to the offices?

Mr. CROXTON. Yes; the States and the cities continued to contribute; yes, sir.

Senator STERLING. They continued to contribute?

Mr. CROXTON. Yes, sir.

Mr. MACCRATE. Now, let us see; in the budgets of the State and in the budgets of the city for the year, there was an amount specified to be paid for that work. Now, after the Federal Government came in, the city and the State did not increase the budgetary apportionment?

Mr. CROXTON. Well, you are correct for the cities. However, for the State there was a fund which was an emergency fund. I suggested when I drafted the plan that it would take \$10,000 a month, but we had never used that much money. We did not reduce our expenditures in order to saddle it on the Government.

Mr. MACCRATE. Well, you got \$24,000 from municipal, town, and private sources—private individuals, I mean. How much did the municipalities give, separate and apart from the private individuals?

Mr. CROXTON. Oh, I can not give you that offhand.

Mr. MACCRATE. And there was \$72,000 apportioned by the State; and how much at the beginning of the war was set aside—

Mr. CROXTON. Not one dollar from the emergency fund from which the \$72,000 came. We were using that for the Council of Defense fund. Our expenses were not heavy for the Council of Defense. There is in this report a report on that fund. I will be very glad to read it to you.

Mr. HERSEY. Where are you reading from?

Mr. CROXTON. The report of the Ohio branch of the Council of National Defense.

Senator KENYON. How much did Ohio put into that work the year before the Government contributed to it?

Mr. CROXTON. I am very sorry that I can not tell you, Senator. I shall be very glad to get it. We opened additional employment offices as soon as we entered the war, and we had 13 additional offices going by the 1st of May, 1917. That gives us seven months' work during 1917. I should be very glad to send that to you. I am of the opinion that Ohio put into it for that year about \$75,000 or \$80,000.

Mr. MAHER. During the year that the Federal Government contributed this \$107,000, how many men were placed in that year?

Mr. CROXTON. During that year there were 371,359 placements.

Mr. GOULD. Define what a placement is, please.

Mr. CROXTON. A placement means a man sent to a job who accepts it—

Mr. GOULD. And stays on it?

Mr. CROXTON. Not necessarily stays on it. We do not count as a placement except under one of three conditions: First, if you, as an

employer, or your representative comes and takes the man away. The second is, the man is given a card of introduction to you as an employer, and the employer is asked to return that card with the statement that he has been employed. The third is, if we do not get any returns from the card, then it is the business of the office, by telephone, to get in touch with the employer and ask if he employed so-and-so. Those are the only three methods of determining placements.

Mr. GOULD. I do not suppose that there is any chance of a man being at four or five or six of these jobs, and each one of those would be counted as a placement during the year?

Mr. CROXTON. Oh, yes.

Mr. GOULD. It would be possible?

Mr. CROXTON. Yes; just as I have had four or five positions during the year. They might have placed me in each of the jobs.

Mr. MACCRATE. Now, that 300,000 total that were placed, how many of those were men who were actually unemployed at the time they were placed?

Mr. CROXTON. I can not give you that. Our method of handling was to disturb the employed man just as little as possible. We had to do that in connection with certain war industries. For instance, it was necessary to do that in cases in order to get the men for the shipyards.

Mr. MAHER. Was that one of the criticisms of the bureau, that men who had employees working at fairly good salaries had their businesses disturbed by some of their men being transferred to other plants?

Mr. CROXTON. Yes; and I think the criticism is a just one, but it should have been done. What we were up against was war, and if I had a candy factory I had no business holding my people—holding a body of men together—able-bodied men making candy, when they could be used for some more essential work.

Mr. MAHER. Had not you had a list of nonessential employments—

Mr. CROXTON. We called them less-essential employments.

Mr. MAHER. And you took the men from the less-essential employments and put them into the war industries?

Mr. CROXTON. Yes, sir.

Mr. MAHER. And that was done by the Employment Service—

Mr. CROXTON. That was the general policy of the War Department and of the Navy Department and of the Employment Service.

Mr. GOULD. Have you arranged those facts in such a way that we can see how many of the men were taken out from less-essential employment and put into those employments where the men were more necessary?

Mr. CROXTON. Well, that would be a very hard thing to do. It would be very hard to get it. Let me give you a little illustration. We enrolled in the public service reserve 18,198 men early in 1918, and those men were to stay right on their jobs until they were called for service; in spite of all we could say, occasionally some one would go right away.

Mr. HERSEY. You reserved a man working, and you had them registered, in order that you might give them better jobs?

Mr. CROXTON. No; but to give them a war job, because the men, of course, wanted to do their bit. That number was enrolled. It was several weeks before we began to call on that list. Then they came in when they were wanted for industrial war work, and they were drawing on us, particularly the East was drawing on us, and they were also wanted for overseas work.

Mr. HERSEY. I thought a man would not leave a job unless he got better pay.

Mr. CROXTON. Yes, sir; he would. That is the kind of men we had in our State, and that you had in your State. They would not now, but they would then.

Mr. MACCRATE. And did you claim credit for placing that kind of a man?

Mr. CROXTON. Yes; we enrolled him, and we would send him a communication and he would come to the office and he would get in touch with the firm that needed him through us.

Senator SMITH. So that you really placed them?

Mr. CROXTON. Yes. Of course, the lower salary was the exception, because wages were increasing. Now, take the Newport News Shipbuilding Co.—I think that I have the name correct—they had a representative come out to get a number of workmen. We suggested men from this reserve list. If they were on war work—working for such and such a firm on war work—we would not touch them, because the firm was engaged in war work. That firm was about to draw men from a firm in a certain part of Ohio which was making one of the most important parts of the equipment for the engine. Now, without the Employment Service, you would have had a firm coming into Ohio and you would have had them drawing the key men, industrially, right out of the industry.

Mr. STERLING. Do you maintain a public-service reserve in Ohio?

Mr. CROXTON. Yes, sir; I was director of that.

Senator STERLING. That was a branch of the national public service?

Mr. CROXTON. Yes, sir; absolutely.

I want to come back to that criticism that we did draw from the less essentials and indicate that that is just what happened during the closing months of the war. The War Department and the Navy Department and other departments, interested in war production, felt that we must get down to production instead of developing "tourists." A man from West Virginia followed me from Ohio to Washington to complain because we did not allow him to bring out of Lima, Ohio, a certain number of skilled mechanics. He went into Lima and hired a general foreman for his plant. He gave a very high salary, for a small plant, and part of the agreement was that the foreman was to bring with him ten or a dozen of the skilled machinists from Lima. and when he went to recruit them, we said, "No; the Lima plant is on essential war work," and he followed me here to make a complaint. I simply give that by way of illustration.

Mr. HERSEY. But you would not be doing those things in time of peace, would you, Mr. Croxton?

Mr. CROXTON. No; but this answers the criticism that was made, and the Federal Employment Service had to perform the service with all sorts of restrictions. During peace times, of course, there are no

restrictions connected with the Employment Service; but it is a bureau of service, and is used to serve you and to serve me and to serve my boy and your boy. Why, when my boy wants a job during the summer I send him to the Federal Employment Service.

Mr. HERSEY. And if this bill becomes the law, if it is passed and becomes the law, do you expect to control the employing business that you had during the war in Ohio?

Mr. CROXTON. Absolutely not, under no consideration. The office is there to give service; the office is there to give information, to those seeking jobs and to those seeking workers. It has no restrictions like it had during the war.

Mr. GOULD. And you would favor arrangements, would you, with employment managers in various industries, so that if a man wants a job you would know where to take him in order to get it?

Mr. CROXTON. Yes; and in that service you are in touch with employers every day. I would want to run the employment office as I would run my own office, and in order to run my own business I have got to give service in order to make a living. A public office has to handle every type of worker that comes along.

Mr. GOULD. How about the teachers? Would you be interested in them?

Mr. CROXTON. Would you be interested in what we have already done for the teachers?

Mr. GOULD. Yes, sir; I certainly would.

Mr. CROXTON. Well, a year ago—I am speaking as a Council of Defense man—about a year ago the teachers' situation was acute in Ohio, so I suggested to the governor that we maintain a teachers' agency in connection with the employment service. I thought it would be a good thing, because the name of the State would be back of it, and it would make them feel that we could render some service to them. I have just a few figures here—

Mr. GOULD. I would say that I am interested in that, because I have got letters here from some National Teachers' Association complaining against the Federal Government going into the question of employment service for teachers and butting into the question of employment of teachers.

Mr. CROXTON. Well, this is the State of Ohio that butted in at that time.

Mr. GOULD. Yes, sir; but it would be on the same principle.

Mr. CROXTON. Yes; it would be on the same principle. During the period from May 1 to December 1, last year, we placed 365 teachers. Of those about 20 per cent were either new or had been out of the teaching profession for some time. We were making a patriotic appeal to the teachers, and we had registered with us 1,002 teachers. You never can place all the teachers who register or fill all of the orders that you have. The proportionate part of the salaries of those engaged in the work was charged against that work. The whole salary cost, and the proportionate cost of the rent of the building that we occupied, and the telegrams and telephones—that is, the complete cost of the running of the teachers' office was \$1,371.65.

Mr. MACCRATE. Is it not a matter of fact that is well known that it was very hard to get teachers during the last year?

Mr. CROXTON. Yes, sir; it was.

Mr. MACCRATE. Most of the training schools were down and out; so much so that they had to close?

Mr. CROXTON. Yes, sir.

Mr. MACCRATE. So that there was no necessity of getting the teachers employment, but the job was to get the teachers; is that right?

Mr. CROXTON. Yes, sir; the job was to get the teachers.

Senator KENYON. Well, did you get the teachers?

Mr. CROXTON. Yes; we got the teachers. That was our big job. Now, that work is continuing right along with greater promise than last year.

Mr. HERSEY. Was that conducted by the State of Ohio?

Mr. CROXTON. Well, until the late fall months it was conducted by the State of Ohio, and then everything was tied up so with the Government—

Senator STERLING. Does not Ohio have private agencies for the purpose of the employment of teachers?

Mr. CROXTON. Yes, sir; they had several of them. May I give you the comparative figures of the cost there? Private teachers' agencies in Ohio have a registration fee of \$1. We registered 1,002, and that would be \$1,002; their commission is 5 per cent of the first year's salary, and we know exactly what these teachers got. I have it here.

Mr. GOULD. I would like to have them put into the record.

Mr. CROXTON. Here is a copy. At any rate, the cost to run our office was \$1,371.65. The teachers would have had to pay a private agency for that service \$16,797.37.

(The statement referred to is here printed in full in the record, as follows:)

Cost of teachers' bureau, Ohio Branch Council of National Defense, from June 1, 1918, to Dec. 31, 1918.

Salaries:

Mr. Meade (proportionate).....	\$300. 00
Miss Davis, July 22 to Dec. 31, 1918.....	656. 00
Postage.....	100. 00
Printing.....	150. 00
Rental, 5 month (proportionate) (210 square feet out of 3,886 square feet, one-half proportionate).....	35. 00
Telegraph and telephone messages.....	20. 00
Furniture, telephones (one-half of two), 5 months, letter files, etc.....	110. 65
Total cost of running office.....	1, 371. 65
Total salaries of teachers placed.....	315, 907. 50
Total commission, at 5 per cent of salaries.....	15, 795. 37
Total registration fee, at \$1 for 1,002 registrations.....	1, 002. 00
Total income on private agency basis.....	16, 797. 37
Total cost of running office to Jan. 1, 1919.....	1, 371. 65
Total number of placements.....	365
Average salary of teacher placed per year.....	\$865. 50
Cost per placement (365).....	\$3. 76
Cost per applicant (1,002).....	\$1. 37

Report of teachers' division, June 1, 1918, to Dec. 31, 1918, inclusive.

	Regis- trations.	Calls.	Referred.	Placed.
June 1 to July 1	402	387	100	.....
July 1 to Aug. 1	199	152	408	40
Aug. 1 to Sept. 1	114	346	610	146
Sept. 1 to Oct. 1	159	183	416	116
Oct. 1 to Nov. 1	42	65	151	36
Nov. 1 to Dec. 1	27	20	52	10
Dec. 1 to Jan. 1	59	77	214	17
Total	1,002	1,220	1,946	365

Mr. CASEY. In other words, your cost of placing these teachers was about the same as it would have cost the teachers to register in the other offices?

Mr. CROXTON. Yes, sir; a little bit more than that.

Senator STERLING. Are your private agencies licensed by the State?

Mr. CROXTON. Yes, sir.

Senator STERLING. And don't the State regulate the fee that they can charge for the service that they give?

Mr. CROXTON. We have a peculiar statute, I may state, Senator, and we have been fighting this matter for six years, and we have just got it changed. Our statute regulated the registration fee, and said that it should not be over \$3, but it placed no limit on the fee that they could charge for securing a job for skilled or unskilled labor. Now we have remedied that, and the statute provides that it shall be regulated by the industrial commission.

Mr. NOLAN. Do you charge the teachers \$1 as a registration fee; your office, I mean?

Mr. CROXTON. No, sir; we do not charge them one cent.

Mr. NOLAN. Have you a teachers' federation in Ohio, an organization of teachers?

Mr. CROXTON. Yes, sir.

Mr. NOLAN. Are they protesting against your actions in the placement of teachers?

Mr. CROXTON. I have no knowledge of any protests from teachers or teachers' associations. The fee charging teachers' agencies do not look with favor upon the work—some of them, at least. We have had very splendid cooperation from many of the higher grade employment agencies in Ohio. There are some very high-grade agencies in Ohio for placing technical men, and they appeared and supported the law we asked for.

Senator STERLING. Let me ask you a question along the line of the Federal Government's appropriation. You said a while ago, I think, that there was 107,000, or thereabouts?

Mr. CROXTON. Yes, sir.

Senator STERLING. And how much of that appropriation went to the payment of rent, lights, and so on?

Mr. CROXTON. I can not give you that, but I can get you those figures.

Now, there is one other point that I would like to touch upon. One of the gentlemen at my left, when I was making a statement a

while ago, said that probably these conditions would not arise in peace times. I have here—and I would like to have a copy of it, if you would like to have it in the record—the transfers of labor from one district to another in May, 1919, a total of 1,376. Our State is divided into about 25 employment districts.

Mr. GOULD. Made by whom?

Mr. CROXTON. By the United States Employment Service.

Mr. GOULD. And that would probably be men who might have gotten out of employment in one district if they——

Mr. CROXTON (interrupting). Yes, sir.

Mr. GOULD. And how many did you say?

Mr. CROXTON. 1,376.

Mr. GOULD. And you have 21 operating offices?

Mr. CROXTON. No; we have practically 25 now.

Senator KENYON. What is the general situation in Ohio now?

Mr. CROXTON. The situation is considerably better than it was some time ago.

Senator KENYON. Is there much of a labor surplus in Ohio?

Mr. CROXTON. We did have a heavy labor surplus in Ohio, but at this time conditions are much better.

Mr. MACCRATE. And that would be about 70 persons per office for the month of May of this year?

Mr. CROXTON. About 55.

Mr. MACCRATE. And what are your expenses, your overhead charges, for each office that you are operating now?

Mr. CROXTON. I am sorry that I can not give you that.

Mr. MACCRATE. How many employees do you have at those offices?

Mr. CROXTON. In some of them we have two, but in others we have more. I would not be surprised if we had in Cleveland 16 or 18.

Mr. MACCRATE. What is the lowest amount that you pay to the men who are employed in those offices?

Mr. CROXTON. I can not tell you; I do not know whether we have any one getting below a thousand dollars or not. We have there both men and women.

Senator SMITH. And those figures are for twelve hundred, did you say——

Mr. CROXTON. Thirteen hundred and seventy-six.

Senator SMITH. And, of course, you located positions for more than those; those were the people that you have transferred from one district to another in the State. Am I right?

Mr. CROXTON. That is right. We make every effort to locate them, of course, in the district itself.

Senator SMITH. And how many did you locate in their own districts at that time?

Mr. CROXTON. I have the figures right here. Thirty-five thousand three hundred and eighty-five is the total placements, and that would include this number that I have given to you.

Mr. MACCRATE. Can you tell how many of them were soldiers?

Mr. CROXTON. Yes, sir. I am afraid that the figure I have includes cooperating agencies. May I give it to you for a different period, and I will have the exact figures? There were located or placed by the employment offices for the period from March 1 to June 14—that is, three and a half months—we placed 6,388 soldiers—that is, the em-

ployment offices absolutely alone. May I indicate to you what that figure means, if you will bear with me? The figures that are being reported by the service represent only the placements made by the local offices and do not take into consideration the placements made by the cooperating agencies—that is, the Red Cross, where they have had employment offices, and they do not include the soldiers returning and registering and for whom work was found by the service before the service could place them, or the soldiers who were returning and found work on their own initiative or returned to their old jobs on their own accord.

The CHAIRMAN. Do you find that the employment bureaus have a system of transferring from one district to another the private employment bureaus?

Mr. CROXTON. So far as I know, and I am not able to speak as one with authority on that, they have no exchange system. There may be some system worked out between two or three of them, in the different cities, like lawyers turning business in one district over to lawyers in another district, there may be, as I say, some system worked out between some friendly agencies.

Mr. GOULD. And the so-called strikebreakers have a general system, have they not?

Mr. CROXTON. Yes; they have representatives, I guess, all over the country.

Mr. HERSEY. And the union labor has also?

Mr. CROXTON. Yes; they have a certain exchange system, too.

May I call your attention to the latest list of technical positions—that is, “technical” is not the proper word, but so-called high-grade positions: On June 13 here is our list of jobs open for the high-grade places. This is distributed from the central office to every office in the State. These jobs could not be filled in the localities. This list goes out to all of the offices, but no one is sent to a job until the office interviewing him gets into communication with the office where the job is located to see if the job is still open.

The CHAIRMAN. I wonder if you could give us a synopsis of that—give us a general idea of it?

Mr. CROXTON. It is a list of jobs, such as stock salesmen, with experience, and I do not think you would care for me to read this.

The CHAIRMAN. You may take your own course in regard to it.

Mr. GOULD. Most of those jobs are jobs that would be advertised in the trade magazines and other society magazines, and the men would understand what they were, would they not?

Mr. CROXTON. Yes, sir.

Mr. GOULD. Or in the daily papers?

Mr. CROXTON. Yes, sir. But here is my experience: My own position is that I can get—if I want a stenographer I can get through the Employment Service a selection made of four or five of the best stenographers from which I can make final choice. They can get in touch with 50 where I could get in touch with one.

Mr. GOULD. But you can not compete with the Underwood Co. and the Remington Co., and the Smith Co. and the Royal, where hundreds meet there and are tested by them?

Mr. CROXTON. Well; as a matter of fact, we do compete with them. It is surprising what we do, competing with them.

Mr. GOULD. And the business colleges?

Mr. CROXTON. We place a great many stenographers. Here is a list of some of the high-grade places.

Mr. MAHER. Could you give us any idea what effect the stoppage of immigration will have on the unskilled labor of the country?

Mr. CROXTON. Of course, it will reduce the number available. It will reduce the surplus—

Mr. MAHER. Do you ever get any labor from Castle Garden—labor which is furnished to the agency?

Mr. CROXTON. Not direct from Castle Garden.

Mr. MACCRATE. Will the increase or the decrease of unskilled labor make greater requests on the bureau?

Mr. CROXTON. Well, the Employment Service is happiest when the conditions are normal, but the conditions are seldom normal. You have a surplus or you have a shortage of labor, and the offices are busy when there is a shortage and also when there is a surplus. I do not know that it makes any difference.

Mr. MAHER. Without any immigration to this country of unskilled labor, your duty will be to ship the labor from one State to another?

Mr. CROXTON. Yes, sir.

Mr. MACCRATE. And that is the chief function of an employment service?

Mr. CROXTON. Well, not of the national. I would like to sum up what I think the functions of the Federal Employment Service should be.

Senator STERLING. Let me ask you a question or two before you do that. You spoke a while ago of the number of placements that were made in 1918.

Mr. CROXTON. Yes, sir.

Senator STERLING. Can you tell what proportion of those placements were farm labor, in comparison with the other industries?

Mr. CROXTON. Yes, sir; I can—not exactly.

Senator STERLING. In Ohio?

Mr. CROXTON. Yes, sir; I can exactly, I think, Senator. The total from May 1, 1917, to December 31, 1918, was 12,657. That is 19 months.

Senator KENYON. Is that farm labor?

Mr. CROXTON. That is farm labor and dairy hands. I was interested in that and in a little letter which appeared here.

Senator STERLING. I did not get that number.

Mr. CROXTON. 12,000—nearly 13,000.

Senator STERLING. And what was the total number of placements for that 19 months?

Mr. CROXTON. I have it right here. It was approximately 500,000. I will have the exact number put into the record if you do not mind. It is here and it will take a little bit—the total number of placements for the 19 months was 564,570. I wonder if I am emphasizing enough the necessity of a State like Ohio having just one system? You must not have an agricultural agency and an industrial agency, otherwise the agricultural interests will lose out every time. We have had complete cooperation on the part of the agricultural representatives.

The CHAIRMAN. If you have summaries that you would like to put in, you may supply them.

Is there anything further that you would like to state?

Mr. CROXTON. I would like to state my view of the functions of such an agency.

The CHAIRMAN. You may do that briefly.

Mr. CROXTON. Personally I favor a United States Employment Service, which shall be a Federal, State, city service. I think that the employment is largely a local matter. I think that the community should be expected to bear part of the expenses of the Employment Service. I think that the best administrative unit is the State, and I think that the State should bear part of the expense, but I think that the Federal Government has a distinct obligation to help in the development of offices and encourage the development of offices in localities that need the offices and establish and maintain standards in all of the offices and to act as a clearing agency between the States.

Mr. GOULD. Suppose that I am making my living and supporting my family running a private employment agency; you would put me out of business?

Mr. CROXTON. Well, only on a competitive basis. That is the fight we made in Ohio. I think there is nothing more sacred to a man than his job, and there is nothing which will contribute more to the unrest of the country than to have people hunting for jobs, and it is a function that the Government can well turn its attention to. I do not think that we should force the employment agencies out of business by law, but we should regulate them to prevent exploitation, and then it is straight competition.

Mr. HERSEY. During the war, did the Federal Employment Service act through the State agencies largely?

Mr. CROXTON. They did in Ohio.

Mr. HERSEY. And do you think that it is true all over the Union?

Mr. CROXTON. I could not say. You will find one irritating thing, that when the Federal Government comes along it gets practically all of the honor. I hope that a plan will be worked out whereby the local offices will be known distinctly as Federal-State-city offices.

Mr. MACCRATE. The card index system is better in the Government than it is in the State?

Mr. CROXTON. Yes, sir.

Mr. MACCRATE. Have you read Senator Kenyon's bill?

Mr. CROXTON. I have read it; yes.

Mr. MACCRATE. It says that "It shall be the duty of the Secretary of Labor to ascertain whether the system of employment offices maintained in each State under the provisions of this act is conducted in accordance with the rules and regulations and the standards of this agency prescribed by the Director General." Do you believe that no money should be given to a State unless the State conforms to the national regulations and rules, or do you think that the State should prescribe its own system?

Mr. CROXTON. Well, I think it ought to be a uniform system.

Mr. MACCRATE. Laid down by the Federal Government?

Mr. CROXTON. Yes; but it will take time to work out the plan. The plan and general policies of the service should be worked out in conference with Federal and State representatives of the service. I believe that the Federal Government is in a position to bring to the various communities the best to be found in other communities.

Mr. MACCRATE. In the State of New York the Employment Service has been standardized in order to meet our local conditions, which we think are the very best. Now, do you think we should not receive any money in the State of New York from the Federal Government unless we conform to the conditions laid down by the Federal bureau?

Mr. CROXTON. Well, I am of the opinion that that is true with all the Federal bureaus where they are cooperating with the States. Here is a State we will call "X." That State has no satisfactory standards. Manifestly a State of that kind ought to be brought to adopt higher standards.

The CHAIRMAN. Do you apprehend there will be any difficulties between the States and the Government in getting together on a plan?

Mr. CROXTON. No; I can not imagine there will if they are filled with a desire to serve their fellow men.

Mr. MACCRATE. Well, the controlling power of the Federal Government might have an idea of conditions and labor in the West, but when they come to go into New York State and ask for a transfer of the laboring men to those States in the West, those in charge of the State offices in the State of New York might think it would not be the best thing to be done.

Mr. CROXTON. That is true. You will always have differences of opinion.

Mr. NOLAN. Has there been any general complaint from the employers of the State of Ohio in regard to the operating of the State agency?

Mr. CROXTON. There has been some complaint, yes. Some employers have complained, and one organization of employers did not seem to look with favor on the employment system, but I will say that the Employment Service has a great many friends among the employers.

Mr. NOLAN. Have you been accused by the employers, or by anyone, with favoring union labor?

Mr. CROXTON. I do not believe we have. I would not be sure, but I do not have anything in mind at this time. We have a little different plan in handling strikes in Ohio from the plan of the Secretary of Labor. I have very great respect for the Secretary of Labor, but we have a plan that has been established for years there.

Senator STERLING. How many Federal agencies have you?

Mr. CROXTON. We have 25—between 25 and 30 offices at this time, that is since March 22, when they were reduced in number; but bear in mind that every office is a Federal office, although the employees' salaries may come from the State or the municipality. Let me add one thing: I said that last year there were seven superintendents on the Federal pay roll. I do not know what the condition is since I resigned.

Mr. HERSEY. You mean on the Federal pay roll and the State pay roll?

Mr. CROXTON. Yes, sir.

Mr. HERSEY. Have you been on both of them yourself?

Mr. CROXTON. Have I been on them?

Mr. HERSEY. Yes.

Mr. CROXTON. I have drawn just \$1 since I entered war work, in April, 1917.

Mr. MACCRATE. As a rule, do not the union clear through the trades union?

Mr. CROXTON. Yes, sir.

Mr. MACCRATE. Is it not plan of the unions to go to the local to get the labor, if there is any opening in the local trade?

Mr. CROXTON. Yes, sir. Generally the stronger unions do that.

Mr. MACCRATE. And if they have a national, the national reports to the local and keeps them informed as to the conditions prevailing around the country?

Mr. CROXTON. Yes, sir.

Mr. MACCRATE. So that the labor unions do not have to use your employment agency—

Mr. CROXTON. They have their own machinery; but I maintain, however, that it is better to have a neutral agency for the unorganized laborers rather than to have them be forced into any other agency.

Mr. MACCRATE. Then this bureau would help the unskilled laborers more than it would the skilled laborers, do you think?

Mr. CROXTON. It would help the unskilled, unorganized laborers.

Mr. MACCRATE. And the organized labor, as a reality, has not much need for it, has it?

Mr. CROXTON. They have less need for it than the others.

Mr. MACCRATE. Every trade has its local shopman, who looks after and reports to the business agent.

Mr. CROXTON. Of course, we have a great many who are not organized.

Mr. CASEY. You started to tell us about the system of handling strikes, where your system differs from the system of the Secretary of Labor. Will you explain that?

Mr. CROXTON. Our system, which has been in existence for years, is this: When there is a strike a man will be sent to that strike, but on his card is stamped the fact that there is a strike on at that place. That has been worked for years.

Mr. MACCRATE. What do you understand to be the Secretary's position?

Mr. CROXTON. That you render no service until the Federal conciliatory agency have acted. Our system has been a little different from that. We feel under obligations to notify the man when he goes into a strike, or where there is other labor difficulty, so that he goes in there with his eyes open.

Mr. CASEY. You place the conditions before him, and let him determine whether or not he wants to go in there?

Mr. CROXTON. Yes, sir.

Mr. MACCRATE. Do you know what the average conciliatory period is—that is, how long it takes to make a conciliation?

Mr. CROXTON. Well, I would have to speak as a statesman. I was the chief mediator there for some years. Really, I do not think you could have asked me a harder question. It depends altogether on the strike. Take, for instance, at the time of the Youngstown riot, where somewhere between a half million and a million dollars worth of property was destroyed, and two people were killed, we got in there at midnight on Saturday and we had a settlement on Wednes-

day. The next week we were mediating where there was a strike of not more than 14 people and it took much longer to settle it.

Mr. MACCRATE. I heard a statement that the average length of time of a strike is 17 days. I would like to ask you whether or not you have found it as long as that?

Mr. CROXTON. I do not know how to compute the average.

Mr. MACCRATE. By averaging the total number of strikes and the arbitrations and dividing?

Mr. CROXTON. Well, I have never done that.

Mr. THOMAS L. BLANTON (Member of House from Texas). I would like to ask the committee if they would not be willing to permit me to bring four or five witnesses before the committee to-morrow at some stated hour convenient to the committee, and if you would permit me to ask these witnesses less than half a dozen questions each. They are witnesses, some of them with whom I am not really personally acquainted, but I know that they have some facts that would be of very great interest to this committee.

The CHAIRMAN. Do you not think that we could ask the questions, Mr. Blanton?

Mr. BLANTON. There are certain witnesses that I would like to bring here, to bring out some facts concerning the attitude of our employment service in some places, at least, to give preference to union labor.

The CHAIRMAN. And could you do that in six questions?

Mr. BLANTON. I would not ask any witness more than six questions. I mean by that that I can bring out of each witness with six questions enough to allow you gentlemen to continue the interrogations yourselves. I do not know that you would be sufficiently familiar with what they know to ask them enough so that they would state the facts. There are different ones from whom I would bring out the facts.

Mr. MACCRATE. Would it not be wise to submit to the chairman those questions that you would want to ask?

Mr. BLANTON. But there are certain questions which I would like to ask, and I would like to frame them myself.

The CHAIRMAN. Well, you may bring up your witnesses to-morrow morning.

Mr. BLANTON. I will have them here any hour you say, and I will assure the committee that I will not ask any witness more than six short questions.

Mr. MAHER. What objection have you to submitting the questions to the committee?

Mr. BLANTON. My only reason is the lack of time in which to prepare them. I am as busy as the other Members of Congress and the Senators on this committee. I have not the time to sit down and dictate everything that each witness knows.

Mr. MAHER. You stated that you did not know them.

Mr. BLANTON. No; I am not acquainted with them personally.

Mr. NOLAN. Inasmuch as there has been a lot of criticism of the Employment Service, and certain charges have been made, and as this committee is here for the purpose of considering legislation, the object of which is to make that sort of an agency permanent, I think we ought to go into the matter and to allow a certain latitude—

Mr. BLANTON. If the gentleman from California will permit me, I can assure the committee that although I have never met three of the witnesses, I shall ask no witness any question that would be of personal embarrassment to that witness, or that would be considered as a reflection upon that witness. I will assure the committee of that fact.

Mr. NOLAN. Mr. Chairman, I move you that the committee allow witnesses to appear here at 10 o'clock to-morrow morning, and that Mr. Blanton be permitted to ask the witnesses questions.

Mr. GOULD. I second the motion.

Mr. CASEY. Where are those witnesses from, Mr. Blanton?

Mr. BLANTON. Some of them are employees of a department here in Washington.

Mr. CASEY. Well, where are the balance of them?

Mr. BLANTON. They are here in Washington at this time, and some of them have been waiting several days to be heard.

Mr. HERSEY. Will those witnesses say that the administration of the Federal Employment Bureau has not been efficient?

Mr. BLANTON. I expect to show that—I expect to show the committee this: That the present system is wrong—

Mr. HERSEY. The one in vogue during the war?

Mr. BLANTON. The one still in vogue. I expect to show the committee that out of five and half million dollars that have been given to this Employment Service to expend, that fully half of it has been wasted. Whether or not it has been misapplied, that is another matter. Let me state this to the committee: At Laredo, Tex., in my State, a little border town, our employment service employed four men, one at \$140 per month, and on down, and three of them were Mexicans. The service there can easily be handled by one man.

At Brownsville, and at various other towns, since the war, or since March, the city chambers of commerce have taken the matter up and have furnished the service, and not a dollar has been spent by this Government since March 4 in my district. Brownsville and Abilene, at those places, one man has been employed at \$75 a month, and he has rendered as efficient services as were theretofore rendered by the corps of employees on the part of the Government. That illustrates one of the avenues of waste concerning which I expect to offer some evidence.

Senator KENYON. Do you expect to sustain the allegation that you made in your speech on June 17 in the House?

Mr. BLANTON. Well, I have been talking so much that I can not place that particular speech.

Senator KENYON. The last one.

Mr. BLANTON. I have made so many of them lately that I can not tell you.

Senator KENYON (showing Congressional Record to Mr. Blanton). Along there, in the second column?

Mr. BLANTON. Yes; I will expect to sustain those allegations, and I might add this, gentlemen, that I hope this committee, while they are investigating the matter—there have been some very serious charges preferred against the system, and our Labor Department, with respect to the noted California case. I take it that in view of the fact that it affects very materially the Director General of the Employment Service that it will be investigated—

Mr. MAHER. You say a California case. What case do you mean?

Mr. BLANTON. The Mooney case in California. It has cast such an aspersion upon the Department of Labor at this time that I hope that the committee will go into it and find out whether there is any foundation for those charges.

The CHAIRMAN. Mr. Blanton, you have got a resolution through Congress asking that the finances of the Department of Labor be gone into, and that the matter be investigated?

Mr. BLANTON. Yes, sir; and I do not know why in the world that was not referred to this committee.

The CHAIRMAN. And you have another one to investigate the Employment Service, this very service—

Mr. BLANTON (interrupting). Yes, and I hope it will be investigated.

The CHAIRMAN. Now, you are asking this committee to investigate the Mooney case?

Mr. BLANTON. No, no.

The CHAIRMAN. You have said on no less than three different occasions that you are in favor of a Federal Employment Service.

Mr. BLANTON. Yes, sir; I have, and no man in Congress is more in favor of a good Federal Employment service than I am.

The CHAIRMAN. You have said that you will "go to the sky," and that you "know how to play the limit."

Mr. BLANTON. I have, and I do. I know how to play the limit. Not with any gentlemen here, but I have in my past life played it.

The CHAIRMAN. We would be very glad to have you come and give your reasons why you favor the Federal Employment Service, but we are not an appropriating committee; we can not appropriate a dollar, but you will have to go to the bureau of appropriations in order to get any money, but what we are to determine is the need in the United States, if there is one, of a Federal Employment Bureau, and that is the thing we are going to decide, but whether Mr. Mooney or Mr. Gompers or Mr. Wilson has acted with a little impropriety and so on, do you think that a Government that needs an employment bureau should be denied that when you have the machinery started, and should that enter into this investigation?

Mr. BLANTON. My position is merely this: I take it that this particular committee, both of the Senate and of the House, is vitally concerned with a proper investigation of the Department of Labor and the proper functioning of that department. If there has been or if there is now improper functioning, then I take it that this joint committee is fully concerned with that question. Now, when a grand jury in California says that a certain man is a renowned anarchist, and when he has been tried and convicted, and when his conviction has been confirmed by the highest courts of the land, and when they say that they have demanded upon the Department of Labor in Washington the presence of a certain gentleman from the Department of Labor sent out there to make a report, and he does make a certain report, which contains a reflection or casts a reflection upon that State and its officers, and the promise is made to the governor of that State that he would go out there, and that they spent 32 days waiting for this gentleman to come out before them, and that the Department of Labor would not let him come and give

them the benefit of what he knew, and when the charge is made, when we right now are appropriating \$1,400,000 for our Department of Justice to hunt out and brand the anarchists, and when the charge is made seriously by prominent business men of this country that our Department of Labor is working hand in hand with the people who are trying to get the anarchists out of the penitentiary. I take it that it is a question that involves particular functions of the Department of Labor.

The CHAIRMAN. There might be investigations in their department, but is there anything that touches upon the functioning of this particular bureau?

Mr. CASEY. Will you kindly state who you have reference to that the Department of Labor refused to send out there?

Mr. BLANTON. I have reference to Mr. John B. Densmore, the present director general of the United States Employment Service.

Mr. CASEY. Do you make the statement on your responsibility that the Department of Labor did not allow Mr. Densmore to go out there?

Mr. BLANTON. Well, I do not know whether you gentlemen went through it or not, but I put in the Record a report of the grand jury of the city and county of San Francisco, wherein they say that he was sent out there, and we got copies of telegrams from the governor of California and from Secretary Wilson and from John B. Densmore, assuring them that Mr. John B. Densmore would appear there at a certain time.

Mr. CASEY. But so far as you know about it personally—

Mr. BLANTON (interrupting). So far as I know about it personally, I do not know anything about it.

Mr. CASEY. Was he at that time the head of the Bureau of Employment Service?

Mr. BLANTON. If the gentleman will read what I inserted in the Congressional Record, you will see that they speak of him in that report as Mr. John B. Densmore, director general of the United States Employment Service.

Mr. CASEY. Who is Mr. Walsh, that wrote that report?

Mr. BLANTON. I do not know the gentleman personally, but he lives in Philadelphia. I have given his place of business and his address in Philadelphia, his business letterhead, and I have been assured that he is a man of very considerable property.

The CHAIRMAN. You spoke of having a report from the grand jury—

Mr. BLANTON (interrupting). This report is an authentic document. There is no question about that report. It is the report of the grand jury of the city and county of San Francisco.

Senator KENYON. What do they say about Mr. Densmore?

Mr. BLANTON. This report of the grand jury of the city and county of San Francisco says that he was sent out to California by Mr. Wilson to investigate this Mooney case; that he made certain charges against the district attorney who convicted Mooney; and that those charges, if true, would have warranted action on the part of the grand jury.

Senator KENYON. Action against the district attorney?

Mr. BLANTON. Action against the district attorney; and that the governor gave the case careful consideration; they examined witness after witness to determine whether or not that report was correct; and that they were convinced that the report made by Mr. Densmore is not correct, but is a false report.

Senator KENYON. The report to whom?

Mr. BLANTON. That he made to the Secretary of Labor, Mr. Wilson, here. The position he took was that the Department of Labor was assuming the functions of the Department of Justice.

The CHAIRMAN. We are not trying the Department of Labor.

Mr. NOLAN. It is understood that any aspersions that have been made here, or any charges that have been made, or any criticisms that have been made, that the persons against whom they were made will have an equal chance to deny them.

The CHAIRMAN. Well, this is no star-chamber proceeding going on here.

Mr. CASEY. If we are going to permit Mr. Blanton to interrogate witnesses here, are we also going to permit the men from the Department of Labor to interrogate witnesses here?

The CHAIRMAN. I have not put that question yet. Personally, he asked me yesterday in regard to the matter, and I said I did not think he would be permitted, because that would introduce a new element in the question of procedure.

Mr. NOLAN. I think that these men ought to have a chance to defend themselves.

The CHAIRMAN. They will certainly be welcome to come before the committee, anybody against whom charges have been made here, or anyone that has anything to say about this bureau, but I do not see why we should try the Secretary of Labor or the Labor Department, and I think we are going the limit when we are investigating those questions for which we were appointed to investigate.

Mr. NOLAN. My idea of this is that certain charges have been made and certain Members of the House would like to have them cleared up, that certain Members of the Senate would also like to have them cleared up, and why not devote a few hours to clearing up some of the charges? Why not devote a short time to clearing up the charges against the Employment Service that has been running in the United States for the last two years and which has been running along the lines that we are called upon to legislate?

The CHAIRMAN. We have not had the time as yet. We have been here for four meetings, and every time that we have had a meeting we have had very important witnesses, and they have taken up the whole time. We have in view hearing from everyone that will come as well as those against whom the charges were made, but we have not had the time as yet to do that. If it is the sense of the committee, we will do that.

Senator KENYON. Speaking as one who is friendly to this legislation, I feel, in the interests of the bill or any such legislation, that those charges ought to be cleaned up. I hear a great deal of talk on the floor, as no doubt you do, and there is a great deal of a disturbance being created by it.

The CHAIRMAN. Well, we have set aside Monday morning at 10 o'clock.

Mr. MACCRATE. Then we will have a fair opportunity to call the people in here who have been subjected to the criticism. These witnesses will make a statement in answer to interrogatories, and then we will have to submit their answers to the people who have been criticized.

Mr. HERSEY. I think that the committee ought to be able to control the questions. If there are any improper questions asked, we should not allow them to be put to the witnesses.

Mr. MAHER. The Department of Labor may have people here—

The CHAIRMAN. It is moved and seconded that Mr. Blanton and his witnesses be heard to-morrow at 10 o'clock. Do you include in that that he be allowed to interrogate them?

Mr. NOLAN. Yes, sir.

(The motion was put by the chairman and was carried by a unanimous vote.)

The CHAIRMAN. All right, Mr. Blanton, we will hear from you to-morrow morning.

**STATEMENT OF GRACE L. COYLE, STATE INDUSTRIAL SECRETARY,
WAR WORK ORGANIZATION OF NATIONAL YOUNG WOMEN'S
CHRISTIAN ASSOCIATION.**

The CHAIRMAN. Give your name and your residence and your official position, if any.

Miss COYLE. My name is Grace L. Coyle. I am the State industrial secretary of the war-work organization of the National Young Women's Association.

The CHAIRMAN. Where do you live, Miss Coyle?

Miss COYLE. In Philadelphia. I travel through Pennsylvania, Delaware, Maryland, and the District of Columbia.

We wish to express our indorsement of the women's division of the Federal Employment Bureau as we have seen it in the various States where we have associations. We have expressed that indorsement in many ways. We have in many local associations employment departments, and in order to unify the service we have even given up our employment service and united with the Federal Employment Service in cooperation with them, and we have also expressed our indorsement in several places where the unemployment emergency seemed very urgent by financing the women's division of the Federal Employment Bureau in the interval between the time that the appropriation expired and the time that Congress would meet, because we hoped that Congress would feel the importance of the situation.

Mr. MACCRATE. Could you give us the total amount expended by your division of the Young Women's Christian Association for this work?

Miss COYLE. I could for Philadelphia, which is only my section, but I have not got the figures here. We have allowed \$6,000 to the employment Service in Germantown.

Mr. MACCRATE. Your board has allowed \$6,000—

Miss COYLE. The national war work organization, not the local board.

Mr. MACGRATE. Is that a governmental agency in any way?

Miss COYLE. No; it is a subdivision of the national board of the Young Women's Christian Association of America.

Mr. MACCRATE. Did they pledge \$6,000 out of their own funds?

Miss COYLE. They pledged \$6,000 out of their own funds.

Mr. GOULD. Are you a dollar-a-year worker, may I ask you?

Miss COYLE. No; I am not.

Mr. HERSEY. Are you continuing your employment work in times of peace?

Miss COYLE. Yes, sir.

**STATEMENT OF W. M. ELLENBERGER, EMPLOYMENT SUPERVISOR
OF THE UNITED GAS IMPROVEMENT CO.**

The CHAIRMAN. Would you please state your name and residence?

Mr. MACCRATE. Is that United Gas Improvement Co. the same company of which the general sales manager of the United States Government has been connected with?

Mr. ELLENBERGER. So far as I know; yes, sir.

Mr. MACCRATE. Mr. —, what is his name?

Mr. ELLENBERGER. Mr. C. Willing Hare.

Mr. MACCRATE. He is now general sales manager of the United States Government?

Mr. ELLENBERGER. Yes.

The CHAIRMAN. Give your name, residence, position, and whom you represent.

Mr. ELLENBERGER. William M. Ellenberger, Philadelphia. 24 North Twenty-second Street, employment supervisor of the United Gas Improvement Co.

I want to add an indorsement of the women's division of the United States Employment Service. We have found it to be perfectly satisfactory. We have been in touch with it daily since it has been in Philadelphia, and we are in constant touch, almost daily touch, with their work, and we find that we get efficient service and we get satisfactory employees.

Mr. MACCRATE. How many employees have you received from them?

Mr. ELLENBERGER. I could not give you the exact number, but it is our rule when we need female employees to at once call the women's division, and recently we have had four within the last week; we have had four from that agency.

The CHAIRMAN. How many employees have you altogether?

Mr. ELLENBERGER. About 300 women.

The CHAIRMAN. And you have used four during the last month from the women's division?

Mr. ELLENBERGER. Yes; during the last month.

Mr. GOULD. Were you directed to come here by your corporation?

Mr. ELLENBERGER. Yes, sir.

Mr. MACCRATE. How do you get your women, or how did you get them before the employment service was established?

Mr. ELLENBERGER. Well, our employment department was organized November 1, 1917, and of course the women's division—at least our relations with them, the relations that we have had with them, have not been much longer than that time, but I will say that we got them probably by advertising, but since the employment department did consult the women's division, they have been doing it constantly.

Mr. MACCRATE. But before you sent to the women's department, how did you get them?

Mr. ELLENBERGER. I will say by advertising.

Mr. GOULD. How long has the employment department been in existence?

Mr. ELLENBERGER. Our employment department has been in existence since November 1, 1917, but the women's division I have known since July 1, 1918.

Mr. GOULD. Up to that time how did your department secure the employees?

Mr. ELLENBERGER. More or less as best they could. They advertised.

Mr. GOULD. You advertised?

Mr. NOLAN. Is your concern a contributor to this agency at the present time?

Mr. ELLENBERGER. So far as I know, nothing absolutely. I want to indorse the service strongly as being very efficient.

**STATEMENT OF MRS. ADA S. BULL, WELFARE SECRETARY FOR
THE ELECTRIC STORAGE CO., OF PHILADELPHIA.**

Mrs. BULL. My name is Ada S. Bull. I live at 635 West Ellena Street, Germantown.

The CHAIRMAN. And whom do you represent?

Mrs. BULL. I am the welfare secretary for the Electrical Storage Battery, of Philadelphia, employing between 2,500 and 3,000 employees. 400 of whom are girls, and I have charge of these 400 girls, and among my other duties are the employing of the office force of girls, and I want to tell you, with all sincerity, what the United States Department of Labor has meant for me. They have never failed me, and when I have asked for help within a few hours I have had a girl for every position that I have called for, even the unusual positions that girls do not take in numbers, work for the chemical laboratory, and work for the commercial laboratory, in addition to all of the stenographers and clerks. If that organization discontinues there will be no source of supply for clerks, but may be the typewriting companies will supply me with typists and stenographers, and at graduation time, once a year, I may get workers from the business schools or the high schools, but most of these want to substitute, so that the Department of Labor is the only permanent resource that I have for my daily needs for clerks, and it will be in the nature of a cataclysm to most employers if that does go out of existence.

The CHAIRMAN. How many girls have you received from outside of your State through this employment service?

Mrs. BULL. Outside of my State?

The CHAIRMAN. For instance, how many girls have you received from Georgia and New York through this service?

Mrs. BULL. I hardly know how to answer that question. I have not made any application for girls that I did not get them. I needed drafting girls terribly, and I was nearly distracted to get them, and I advertised in the New York papers and in the Schenectady papers, as I thought the electric company there might have what I needed,

and in the Philadelphia papers, with no results whatever, and the United States Department of Labor produced the girls for me.

Mr. MATHER. Have you a municipal employment agency in Philadelphia?

Mrs. BULL. No; I know of no clearing house of any sort like this, where we can turn to. I do not employ the factory labor, but the man who does has always fallen back on the United States Department of Labor for his help, and it has never failed us.

Mr. MACCRATE. Has your concern ever asked the city of Philadelphia to establish such an agency?

Mrs. BULL. Not to my knowledge.

Mr. MACCRATE. Have you recommended to the State of Pennsylvania that it should do it?

Mrs. BULL. No; the question has not come up to us.

Mr. MACCRATE. Could not they do it just as well in the State and in the city as the Federal Government?

Mrs. BULL. Well, the State has not done it, but heretofore it has been our only medium—heretofore our only medium has been advertising, and it has been said that it attracts a class of floaters that we do not want, and the only chance that I know of in case this is eliminated would be recourse to the awful fee charging places, which would be hard for both the employers and the employees. And I will say that not only has the Employment Service always given me everything that I wanted in the way of help, but whenever extra girls have applied to me who were in need of work I have sent them to that office, and they have placed them invariably.

Senator STERLING. How many clerks do you employ?

Mrs. BULL. About 200 girl clerks, stenographers and clerks.

Senator STERLING. But the stenographers can be furnished by the typewriter companies largely.

Mrs. BULL. Some of them can; yes.

Senator STERLING. Your difficulty has been with clerks?

Mrs. BULL. Yes, sir.

Senator STERLING. How many of them are exclusively stenographers?

Mrs. BULL. Making a guess, I should say that 10 per cent of them were high-grade stenographers, and I should say that the rest were clerks. I am sorry that I have to make that statement on a guess.

Mr. GOULD. How long have you been in charge of the work, Mrs. Bull?

Mrs. BULL. Since January 1, 1918.

Mr. MACCRATE. Did you ever cooperate with the Young Women's Christian Association before this?

Mrs. BULL. Yes, sir.

Mr. MACCRATE. And you got girls from them, did you not?

Mrs. BULL. I tried it, but their supply was so limited that they could not always give them to me. We are a permanent organization, and although during the war we were doing war work day and night, still we are a permanent organization, and we do pay just wholesome salaries, and not the spectacular salaries that the Government was paying, and while I am sorry to say it, I had to knock the Government, and it was with great difficulty that I could get the clerks or girls that I wanted when we did not pay the brilliant salaries that the Government paid, and it was very hard

for me to do it, but I never have been held back by the Department of Labor. I have by all the other agencies.

Senator KENYON. What do you do with the girls that you have there, or what do you give them as a means of recreation? Have you any welfare work, Mrs. Bull?

Mrs. BULL. We do give them welfare work as far as we can. We are a factory and have not any ideal schemes at all, but the big essential things we are trying to do.

Senator KENYON. Are you doing anything for them during working hours?

Mrs. BULL. Our hours are not long hours; they are from 9 to 5, and from half past 8 to 12 on Saturday, and at noonday the office girls are furnished a luncheon free of charge, which is prepared by a good caterer and served in the proper way, during the meal hour, and the meals are prepared in a clean kitchen and they are served in a clean dining room.

Senator STERLING. What is the average compensation paid your girls?

Mrs. BULL. The girls—that is up to the girls. They start at an average of \$50 per month for clerks, and then the girl is advanced as she proves herself worthy.

Senator STERLING. How high do you go?

Mrs. BULL. There is not a maximum.

Mr. GOULD. I think there ought to be a minimum wage.

Mrs. BULL. I think so, too. Then, I would like to add, too, that the luncheon is in addition to the salary.

Mr. GOULD. How much do you consider that the luncheon is worth?

Mrs. BULL. If they had to buy that lunch it would cost a good deal.

Mr. GOULD. How much per capita do you figure it is worth to the employees?

Mrs. BULL. Well, that is in a different department from mine. I might give you my information as a housekeeper, but it is not my department.

Senator KENYON. I move that we now adjourn until 10 o'clock tomorrow morning.

(The motion was duly seconded and carried by a unanimous vote, and the committee adjourned until 10 o'clock Wednesday morning, June 25, 1919.)

NATIONAL EMPLOYMENT SYSTEM.

WEDNESDAY, JUNE 25, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate, and the Committee on Labor of the House of Representatives, met pursuant to adjournment at 10 o'clock a. m., in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senators Kenyon, Sterling, and Phipps; Representatives Smith (chairman), Maher, Nolan, Casey, Hersey, Watson, Gould, and MacCrate.

Also present: Hon. Thomas L. Blanton, Member of the House of Representatives from Texas; Miss Mary Cunningham, Plainview, Tex.; Miss J. Raynes Lilestone, Indianapolis, Ind.; Mr. E. B. Le Prohan; Mr. William F. Hall, Assistant Director General United States Employment Service; Stanley R. Lynn, employed in the transportation section of the United States Employment Service.

The committee proceeded to a consideration of the Senate bill (S. 1442) to provide for the establishment of a national employment system, and for the cooperation with the States in the promotion of such system, and to regulate the expenditure of moneys that shall be appropriated for such purposes; and the Senate bill (S. 688) to provide for a national employment system; and House bill (H. R. 4305) to provide for the establishment of a national employment system, and for the cooperation of the States in the promotion of such system, and to regulate the expenditure of moneys that shall be appropriated for such purposes.

The CHAIRMAN. The committee will be in order. Now, then, Mr. Blanton, if you would like to occupy the attention of the committee from now on, we will be very glad to hear from you.

Mr. BLANTON. Mr. Chairman and gentlemen of the committee, as a preface to what I desire to offer, may I state to the gentlemen of the committee, that I have no personal feeling whatsoever against the Department of Labor or against the Director General of the Employment Service of that department. I do not even know the Director General of that Employment Service, Mr. J. B. Densmore, and if I have ever seen him I did not know it. I would hope that he might be able, as a Democrat, as a loyal Democrat of my country, loving my party, I would be hopeful that he might be in a position to show that no possible irregularities had existed in the department, but where evidence is brought to my attention showing irregularities, I take it

that it is my duty to present it to my colleagues, both in the House and the Senators on the other side of the Capitol.

The CHAIRMAN (interrupting). Even if he is a Democrat?

Mr. BLANTON. Even if he is a Democrat, Mr. Chairman; yes. I am a Democrat, but I am an American citizen before I am a Democrat. It is that feeling that prompts me to bring this evidence in here to-day.

The CHAIRMAN. You, of course, have been a distinguished member of the bar for many years, and for eight years you were a presiding judge, and you will understand that we are running these hearings with as much dispatch as possible, but if we go into all these things the hearings are likely to be interminable, and therefore I will ask you to kindly keep yourself within bounds.

Mr. BLANTON. Yes; Mr. Chairman, I shall certainly try to do so, and I will tell you that there will be no question asked by me that would not be permitted in a court of justice.

The CHAIRMAN. As I take it, the proper procedure would be for the committee to ask the questions, and get the information that we would like, and then, afterwards, if all the information is not brought out you may question the witnesses.

Mr. BLANTON. But, Mr. Chairman, there are certain witnesses that I have here—I have not brought many here because I understand that the committee's time is limited, and for that matter, my time is also limited—but there are certain questions that I can ask and thereby save the committee's time by asking four or five questions, as I indicated to the committee yesterday, and in that manner we may get through in a few minutes, and then the committee may ask any questions it may wish.

The CHAIRMAN. I will say that it is very unusual to have the witnesses interrogated by counsel, and so distinguished a counsel, and I hardly know about the precedent in such cases, and I would like to have the committee consulted in that regard.

Mr. BLANTON. I understood yesterday that I would be permitted to ask a few questions of each of the witnesses. I understood that when I went to the trouble of getting the witnesses and bringing them here.

Now, Mr. Chairman, this young lady here does not know what I want with her, here.

Senator KENYON. I think probably we can hold her within reasonable bounds.

Mr. BLANTON. I will hold her within reasonable bounds.

Senator KENYON. You do know what you want to ask her about, do you, Mr. Blanton?

The CHAIRMAN. You will please remember, Mr. Blanton, that the question before us is the propriety of establishing a Federal employment bureau. This committee is not an investigating body. You understand, Mr. Blanton, that you have resolutions in the House to investigate the whole Government of the United States, one to investigate the Department of Labor, and one to investigate this employment service separately. What is the use of making this an investigation committee at this time?

Mr. BLANTON. As I see it, Mr. Chairman, and gentlemen of the committee, there are just two questions before this committee, and

the first of those questions is whether or not the Federal Employment Service has been properly functioning and has been properly spending the funds which we have given to them.

The CHAIRMAN. I do not know that that question is very material to the matter before this committee. The purpose of this investigation, as I view it, is to establish whether or not we should establish a Federal employment bureau by law.

Mr. BLANTON. But, Mr. Chairman, if it were shown to this joint committee that our present service—

The CHAIRMAN (interposing). That the working of the present service, you mean.

Mr. BLANTON. That the working of the present service, that under the workings the service has been wasting two-thirds of the money that we have given to it, under those circumstances, Mr. Chairman, would this committee vote for a bill to keep that present service on in existence, and allow it to go on wasting the money—

The CHAIRMAN (interposing). Permit me, Mr. Blanton, to show you where I think you and I differ. The question that you state might be proper for us to put restrictions on it, but as to whether or not it would be proper to ascertain whether we should establish this employment bureau, then it is outside of that question, I think.

Mr. BLANTON. My idea has been all along, Mr. Chairman, that if they were improperly carrying on this service, or improperly using the appropriations that have been given to them, unless we know that we could not place the proper restrictions—

The CHAIRMAN (interposing). That has already been passed upon—

Mr. BLANTON (interposing). That has been my position all along.

The CHAIRMAN. And you say that that has not been established, according to your views. As I view it, the only relevancy that testimony of this sort could have would be as to what restrictions, as you call them, should be put into the bill.

Mr. BLANTON. Yes; and then there is another point, and the point is this: I take it that this committee is interested in the proposition of whether it is absolutely necessary for any employee of this Government to be a member of an employees' union in order to hold a position here in Washington? I presume that this committee is interested in that question.

I will call Miss Mary Cunningham.

STATEMENT OF MISS MARY CUNNINGHAM.

Mr. BLANTON. Mr. Chairman and gentlemen, this is Miss Mary Cunningham, whose home is in Plainview, Tex. She is not even a resident of my district.

The CHAIRMAN. What is your name, please?

Mr. BLANTON. Her name is Miss Mary Cunningham.

Senator KENYON. And what is her business?

Mr. BLANTON. She is employed at the present time in the new War Risk Insurance Bureau under Mr. Jones.

The CHAIRMAN. Proceed.

Mr. BLANTON. Miss Cunningham, you are a niece of Judge J. F. Cunningham, who is a prominent lawyer, known all over Texas, are you not?

Miss CUNNINGHAM. Yes.

Mr. BLANTON. To save time I am going to ask a few leading questions which would be permissible even in a court of law. Miss Cunningham, you have taught school for a number of years in Texas before coming to Washington, have you not?

Miss CUNNINGHAM. Yes, sir; three years.

Mr. BLANTON. Three years?

Miss CUNNINGHAM. Yes, sir.

Mr. BLANTON. Prior to your coming to Washington were you a member of a union?

Miss CUNNINGHAM. No, indeed.

Mr. BLANTON. Since you have been at work here in Washington have you joined a union?

Miss CUNNINGHAM. Over at the War Risk; yes.

Mr. BLANTON. State to the committee why did you join the union?

Mr. MACCRATE. Let me ask a question. Were you ever employed in the Bureau of Employment Service of the United States Government?

Miss CUNNINGHAM. I do not know what you mean by that.

Mr. MACCRATE. Let me explain that there is a Federal Employment Bureau, and were you ever in that bureau as an employee?

Miss CUNNINGHAM. I have never been in any bureau but the War Risk Bureau, and I was appointed to that.

Mr. MACCRATE. I do not see how it is at all relevant; I do not see the relevancy of testimony of an employee of any other department of the Government when we are inquiring into this branch of the service and this branch of the service only.

Mr. BLANTON. Let her answer. State to the committee how came you to join the union and what made you join.

Mr. MACCRATE. I object to that, Mr. Chairman, on these grounds: If we are going to take up personal reasons and other reasons why girls join different associations we will never finish here in this world. They may bring in girls from any one of the other departments and take up the time of this committee——

Mr. BLANTON. That is the only question that I desire to ask this witness; and I will say this: That she was induced to join one of them upon representations that that was the only way by which she could hold her position.

The CHAIRMAN. But you would not charge Secretary of Labor Wilson and Mr. Densmore——

Mr. BLANTON (interposing). Not at all; but I want to show that that fact existed here in connection with some other matters which I desire to bring out and to charge Mr. Densmore with.

Mr. MACCRATE. Mr. Chairman. I will reserve my right to object after the girl makes a statement.

Mr. BLANTON. Well, if the committee does not think it is material——

The CHAIRMAN (interposing). I think it is not.

Mr. BLANTON. I will connect it up directly with the Employment Service, and I will show that a person was discharged out of the Employment Service because she did not join a union.

The CHAIRMAN. Well, of course, there is a great variance of opinion about organized labor. Some gentlemen do not like it, and some do like it, and——

Mr. HERSEY (interrupting). And Mr. Mooney is not on trial here.

Mr. BLANTON. I will say that I like it, where it is properly functioned, but where it is not, it is absolutely wrong. I will try and connect this evidence up immediately with the Employment Service, but I will show that they not only discharged a woman over there because she was not a member of the union, but they followed up, followed that good woman up in various departments with the object of keeping her out of the Government employ. I will connect her testimony up with another——

Senator KENYON. You mean to say that this young lady had to join a union in order to hold a place in the War Risk Bureau?

Mr. BLANTON. Yes; and another has been discharged because she did not join a union, and has been discharged from another place since. She was first discharged from the Employment Service.

Mr. WATSON. Well, don't you think that that should be shown by the one who was discharged from the Employment Service? Did they get Miss Cunningham her job?

Mr. BLANTON. They did not. I believe that I can show that it has been found to be absolutely necessary to join a union, almost, to hold a position in the city of Washington to-day.

Mr. WATSON. Suppose that be true, in what way is that going to throw any light on the conduct of the United States Employment Service?

Mr. BLANTON. But if the United States Employment Service itself discharged employees, and not only discharged employees, but has followed her through to other departments, through their other employees, and prevented them from holding their jobs, it is not only important, but it is an outrage.

Mr. MACCRATE. Mr. Chairman, I press my objection.

Senator KENYON. I think Mr. Blanton should produce the other witness and show it.

Mr. BLANTON. The committee would not like to hear her testimony? I will call the next witness.

STATEMENT OF MISS J. RAYNES LILESTONE.

Mr. BLANTON. In view of the fact——

Mr. CASEY. Let us get her address, her home address.

Mr. BLANTON. She has been, until yesterday, employed in the War Department, and she was dismissed yesterday from the War Department upon a dismissal that I have here, and before she was employed there she was employed in the United States Employment Service.

Miss LILESTONE. I beg your pardon, Mr. Blanton, I was employed with the Labor Department.

Mr. BLANTON. I mean with the Labor Department.

Mr. CASEY. What is her home address?

Mr. BLANTON. Your home address is Indianapolis, Ind., is it not, Miss Lilestone?

Miss LILESTONE. Yes, sir.

Mr. BLANTON. In order that this good woman's standing may be known to the committee I would like, with the permission of the committee, to place in the record a number of indorsements.

one from Senator Overman, who is chairman of the Committee on Rules of the United States Senate.

The CHAIRMAN. Until that is questioned what is the use of putting a letter into the record. Nobody questions her at all.

Mr. BLANTON. Mr. Chairman, I do it for this reason: It has been brought to my attention—

The CHAIRMAN. She can tell who she is, and I do not think that anyone here will dispute her. .

Mr. BLANTON. May I give my reasons? It has been brought to my attention that there has been an effort—that by reason of the fact that a certain auditor in the Shipping Board, Mr. Barr, made a statement in the record a short time ago—there has been an effort to prove that the man is insane—and witnesses are in this room now to attack the credibility of the witnesses that are brought in here.

Mr. MACCRATE. Until the witness's credibility is attacked I believe that the committee will assume that she is honest. By this method you are going to raise a doubt at the beginning of her testimony.

Mr. BLANTON. But I can not come back and refute the testimony that they will bring out. I have but a short time to appear before this committee—only two hours this morning. I do not expect to come before the committee any more, as I am very, very busy, and I can not be here to hear their testimony and introduce testimony to refute it.

The CHAIRMAN. Now, Mr. Blanton, did you ever put a witness on the stand and put in a lot of letters of recommendation for that witness? Have you ever proved in a lawsuit or in a court—is it the practice that the first thing to be done is to establish the credibility of witnesses, and do you say that they are entitled to have their evidence bolstered up by some outside letters—

Mr. BLANTON. Yes; in murder cases I have heard questions asked witnesses touching their credibility in the community in which they live.

The CHAIRMAN. To witnesses.

Mr. BLANTON. Yes; touching their credibility in the community in which they live.

The CHAIRMAN. Do you mean to say they do that before they testify?

Mr. BLANTON. Not to put witnesses on, but to prove by their own witnesses—

The CHAIRMAN. But we have no objection to you proving who she is by herself, and we take it that she is a lady of standing and a lady of culture, and there won't be a witness here to question that.

Mr. BLANTON. Well, may not I leave these letters with the committee, with the understanding that if her standing is attacked, that the committee will look after that and allow them to go in?

The CHAIRMAN. Of course, if her standing is attacked we will allow you to put them in.

Mr. BLANTON. Miss Lilestone, you originally lived in Richmond, Va., and then you went to Indianapolis, and live there, as I understand it?

Miss LILESTONE. No; I beg your pardon, I did not go directly from Richmond, Va., to Indianapolis. I was educated practically in New York City.

Mr. BLANTON. But you have lived in Richmond, Va., for a number of years, and you have lived in Indianapolis, Ind., for a number of years?

Miss LILESTONE. Yes, sir.

Mr. BLANTON. And you were employed by the Labor Department, Miss Lilestone?

Miss LILESTONE. Yes, sir.

Mr. BLANTON. When?

Miss LILESTONE. In the month of—I began my services during the month of September.

Mr. BLANTON. When?

Miss LILESTONE. September 16, to be exact. No; it was September 12.

Mr. BLANTON. The 12th?

Miss LILESTONE. The 12th.

Mr. BLANTON. And after entering your employment, state whether or not you were asked by anyone—state whether or not you were requested to join a union.

Miss LILESTONE. Yes, sir.

Mr. BLANTON. And what answer did you make to them?

Miss LILESTONE. I told them that I did not think it was necessary for me to join a union. The question was asked if I was a member of organized labor, and I told them no.

Mr. CASEY. What is that?

Miss LILESTONE. I told them no, that I did not think it was necessary in order to keep my Government position.

Mr. BLANTON. And what other statement, if any, was made to you?

Miss LILESTONE. The statement was made that in order to have a safe position that I would be compelled to join the union.

Mr. BLANTON. And that was made in whose room?

Miss LILESTONE. Well, I think it was—it was in that room that I was employed in, but I think it was outside of the room. I paid very little attention to it.

Mr. BLANTON. It was in the Labor Department?

Miss LILESTONE. It was in the Labor Department; yes.

Mr. BLANTON. And you refused to join the union?

Miss LILESTONE. Yes.

Mr. BLANTON. And when did you leave—

Mr. CASEY (interrupting). Who asked you that?

Miss LILESTONE. Really, I could not recall.

Mr. BLANTON. Was it a man or a woman employee?

Miss LILESTONE. Several of them asked me, but I gave it very little attention.

Mr. CASEY. Was it anybody in the Labor Department—was it the Secretary of Labor or the general director, the director general?

Miss LILESTONE. No; it was not.

Mr. CASEY. Was it anybody of authority?

Miss LILESTONE. It was nobody in authority that I know of.

Mr. NOLAN. Were you working for the Employment Service System of the branch of the Department of Labor?

Miss LILESTONE. Yes, sir.

Mr. NOLAN. And who was your superior officer?

Miss LILESTONE. The superior was Roger Babson, but he was not there during the time that I was employed.

Mr. NOLAN. What branch of the service was it?

Miss LILESTONE. It was the educational. The Bureau of Education.

Mr. NOLAN. And is it connected with the United States Employment Service?

Miss LILESTONE. Yes, sir.

Mr. BLANTON. How long did you work there after that?

Miss LILESTONE. I worked—not quite—I would say just about a month. I received my dismissal; the letter was dated on the 9th; and I received my dismissal; it was dated on the 9th, and I received it on the 11th.

Mr. BLANTON. Of what month?

Miss LILESTONE. October.

Mr. NOLAN. You were there just one month?

Miss LILESTONE. You have the letter there, Mr. Blanton. I think that I gave it to you.

Mr. BLANTON. You have a document here from the Civil Service Commission in which it shows that you made a rating of 81?

Miss LILESTONE. Yes, sir.

Mr. HERSEY. Let us see the letter of dismissal. What does it state?

Mr. BLANTON. Here is your dismissal, signed by Mr. S. J. Gompers, chief clerk, and there is your dismissal [handing letters to Miss Lilestone].

Mr. HERSEY. This is dated the 16th.

Miss LILESTONE. I entered the service on the 12th.

Mr. BLANTON. Please read the dismissal.

Miss LILESTONE. "October 10, 1918. Miss J. Raynes Lilestone, by direction of the acting chief of the service, your services as clerk at \$1,100 per annum in the industrial plants position have been discontinued, effective at the close of October 9, 1918. Robert C. Starr, chief clerk, Information and Education Service."

This gentleman, as I understand it, is a member of the union.

Mr. BLANTON. Did you go to see that gentleman after you received that letter?

Miss LILESTONE. I did; and he said that he had orders from the department head to dismiss me.

Mr. BLANTON. And then did you ask him the reason for your dismissal, Miss Lilestone?

Miss LILESTONE. I asked him the reason for my dismissal; and if you gentlemen will just let me explain—they never gave me a chance.

Senator KENYON. Do you mean that when you first went there they never gave you a chance?

Miss LILESTONE. I beg your pardon.

Senator KENYON. Do you mean that they never gave you a chance from the time that you went there?

Miss LILESTONE. They never gave me an opportunity. Of course, I knew I made good.

Senator KENYON. Then, what do you mean by saying that they never gave you a chance?

Miss LILESTONE. They never gave me any reasons why such a dismissal was sent; they never gave me a hearing or anything of that kind.

Mr. BLANTON. And right after that you were employed by the Commission on Training Camp Activities in the War Department?

Mr. CASEY. Wait one minute. Is it not a fact that the information and educational services is one of the emergency divisions set up in the Department of Labor during the war?

Miss LILESTONE. Yes; I think it is.

Senator KENYON. Were there any others discharged about the time you left?

Miss LILESTONE. Not that I know of. I knew very few people there.

Mr. BLANTON. Here is a certificate from the Commission on Training Camp Activities showing that you worked for them. Would the committee mind her reading that, showing that her services were satisfactory?

Senator KENYON. That was after that?

Mr. HERSEY. I would like to know how long after she was discharged that she went to work for some other branch of the service?

Miss LILESTONE. Just shortly after; in fact, the very following week. I saw that my means were very limited on account of the conditions existing here and I made an application to the administration—the Railroad Administration—and I received a position, beginning at a salary of \$1,500 per year, but on account of my physical condition, due to the experience that I had undergone—that is, the humiliation part of it—it was not the question of work, but it was the humiliation part of it—I broke down and was taken ill, and I was compelled to go into the hospital. When I came out I made application to the War Camp Activities—

Mr. BLANTON. Let me read that.

JANUARY 14, 1919.

To whom it may concern:

This is to certify that Miss J. Raynes Lilestone has worked in the accounting office of the Commission on Training Camp Activities from December 11 to January 11, 1919, upon a special piece of work which is now completed, and we are therefore giving Miss Lilestone a release. Her work for the Commission on Training Camp Activities has been very satisfactory.

CHESTER C. WATERS,
Chief Accountant.

Now, Miss Lilestone, after that you had an appointment from the War Department, the Purchase, Storage and Traffic Division, General Staff, dated March 21, giving you employment at \$1,100?

Miss LILESTONE. Yes, sir.

Mr. BLANTON. When did you cease to be employed by the War Department? You were employed by the War Department up to when?

Miss LILESTONE. Up to the 23d.

Mr. BLANTON. The 23d of June?

Miss LILESTONE. Yes, sir.

Mr. BLANTON. And the 23d was the day before yesterday?

Miss LILESTONE. Day before yesterday; yes, sir.

Mr. BLANTON. That was Monday?

Miss LILESTONE. Yes, sir.

Mr. HERSEY. And you were with them—where were you from March 21 to day before yesterday?

MISS LILESTONE. With the Purchase, Storage and Traffic Division.

MR. BLANTON. Now, Miss Lilestone, I will ask you, while you were working for this War Department, if any person who purported to be interested in organized labor, and who had previously known you in the Labor Department when you worked there, had occasion to see you working in the War Department, and have a conversation with you, and if so, state who it was and when it occurred?

MISS LILESTONE. I was sitting at my desk, and I was approached by a lady whom I did not recognize immediately, and she says, "What are you doing here?" I said, "Why, I have a perfect right to be here. I am under civil service." She said, "Are you a member of the employees' league?" I said, "I am not." Then I said to her, "What is your name?" I thought perhaps she was one of the members of the department there. She said, "I was with the Federal Employment Service." I did not remember her. I said, "I do not know your name." I said, "What is your name?" She said, "I can not tell you." Then she disappeared from the room. A gentleman in charge there—

MR. BLANTON. Now, just a minute, in that connection; during that conversation did she give you any information of whether or not you would be permitted to remain in the War Department?

MISS LILESTONE. Well, she intimated, she—

MR. MACCRATE. Not what she intimated; tell us what she said. What did she say?

MISS LILESTONE. Well, she said it would be safer to be a member of the employees' union, but I paid very little attention to it, because those things—I thought that the Government would take care of its employees without having to join an organization in this country.

MR. MACCRATE. Just give us the conversation. State what this conversation was. Is that all of the conversation?

MR. BLANTON. You are out of a position right now; are you?

MISS LILESTONE. Yes.

MR. BLANTON. And you are dependent on working for a living?

MISS LILESTONE. I am.

MR. BLANTON. Did you ever see me in your life until a short time ago?

MISS LILESTONE. I never knew you.

MR. HERSEY. Was there any reason for your discharge from the last position? Have you that discharge?

MISS LILESTONE. You have my dismissal there, Mr. Blanton?

MR. BLANTON. May I say this to the committee: There may be not only an effort to attack the standing of the witnesses, but also an effort to attack me, and I want to say that I am able mentally, morally, and physically to maintain any position that I take in the House, before this committee, or anywhere else. I am able to do that, and I want the fellows who have been attacking this good woman, and the people who have been losing their jobs because of the matters that I have placed in evidence here in this record—I want them to understand that I am going to protect the people who are brave enough—

MR. CASEY. Well, if you are going to do it, do it by evidence.

MR. BLANTON. I will do it by evidence, and I want to say that some of them were here in the room.

MR. MACCRATE. I trust that we will have—

Mr. BLANTON (interrupting). I do not like to have them send a special secret-service man out to stand under my nose.

The CHAIRMAN. You may put in your testimony.

Mr. BLANTON. I have not got that discharge here, unless it is in with these other papers here. She was dismissed on the 23d.

Mr. MACCRATE. In that dismissal, did they give any reason for her dismissal?

Miss LILESTONE. They did not; and I demanded an explanation, and I wanted it in writing.

Mr. BLANTON. I have not got that dismissal here.

Mr. CASEY. I would like to have that letter of dismissal, and have a copy of it put into the record.

Mr. BLANTON. I will find it, and I will put it in the record. I merely brought the papers here that I thought I would need.

The CHAIRMAN. Will you please hunt it up and have it copied?

Mr. BLANTON. It states that her services were unsatisfactory, I know that.

Senator KENYON. Miss Lilestone, at the time of this talk that you had with the lady in the Department of Labor, it occurred in the hall, you say?

Miss LILESTONE. Well, the rooms are just a large room. I do not know whether it is a hall. The desks are all over the place, but I paid so little attention to where I was standing. I know that I was in the Bureau of Education.

Senator KENYON. Were you sitting down or standing up?

Miss LILESTONE. No; I was standing up.

Senator KENYON. Were you going somewhere—were you going to lunch?

Miss LILESTONE. No; I do not remember going to lunch—whether I was going to lunch or getting a drink of water.

Senator KENYON. And the first that talked to you, had you ever seen her before?

Miss LILESTONE. I never had.

Senator KENYON. Was the person a woman?

Miss LILESTONE. A woman.

Senator KENYON. What kind of a looking woman was she?

Miss LILESTONE. It seems to me that she was a blonde; but I just can not recall; I paid so little attention to it.

Senator KENYON. Was she the same woman that talked to you in the War Department?

Miss LILESTONE. No.

Senator KENYON. Did you ever see her afterwards?

Miss LILESTONE. I never did.

Senator KENYON. Did she state to you that if you wanted to hold the job that you would have to join the union?

Miss LILESTONE. Well, I paid no attention to it.

Senator KENYON. And in about a week after that you were discharged, you say?

Miss LILESTONE. Yes, sir.

Senator KENYON. Do you know of others in there who did not belong to unions?

Miss LILESTONE. No, sir.

Senator KENYON. Did you have any friends that—

Miss LILESTONE (interrupting). I think that Mr. Robert C. Starr belonged to a union.

Senator KENYON. Don't you know people who were working there with you are not? Don't you know people who were working there who did not belong to a union?

Miss LILESTONE. Well, a man by the name of McInerney belonged to it.

Senator KENYON. No; don't you know people who were working there who did not belong to a union?

Miss LILESTONE. No; I did not, because they were practically all strangers to me. I never met them before.

Senator KENYON. And you did not know anyone else there that did not belong to a union?

Miss LILESTONE. No, sir.

Mr. MACCRATE. And you were for one month in that department, you say?

Miss LILESTONE. Yes, sir.

Mr. MACCRATE. And did you make the acquaintance of any of the other girls or employees?

Miss LILESTONE. Yes; I did.

Mr. MACCRATE. And did you talk with them familiarly about subjects?

Miss LILESTONE. Yes.

Mr. MACCRATE. And did you ever talk with them about a membership in the Federal Employees' Union?

Miss LILESTONE. No; I never paid any attention to it.

Mr. MACCRATE. Did any of the girls ever tell you that they did belong to it?

Miss LILESTONE. No.

Mr. HERSEY. Do you know whether the Employment Bureau had anything to do with your dismissal?

Miss LILESTONE. I do not; but from my standpoint it looked as though they did, as though they had agents all through the departments. It looked very plain to me, but I gave it very little thought.

Mr. MACCRATE. Now, this second lady that asked you about the United States employees' league, what was her description?

Miss LILESTONE. She was a blonde, but not the same one.

Mr. MACCRATE. And she came right in and walked right out again—

Miss LILESTONE (interrupting). Yes, sir.

Mr. MACCRATE. And just simply said to you that you had better join the union, and she left you right away?

Miss LILESTONE. Yes, sir.

Mr. BLANTON. Would the committee hear Miss Cunningham now?

The CHAIRMAN. We will hear anyone.

Mr. NOLAN. Before the lady leaves the witness stand, I think that she—she has intimated that she thought the United States Employment Service had agents around these departments. Now, Mr. Chairman, is it fair to permit questions affecting the service—if it is. I think it also fair to permit the service, or those representing the service, to defend themselves and cross-examine the witness.

Mr. BLANTON. I have no objection.

Mr. NOLAN. No; you shouldn't have any objections; it is not for you to have objections. It is a matter for this committee to decide.

and I ask that the other side be entitled to cross-examine the witness if they care to. I believe Mr. Densmore is here.

Mr. MACCRATE. I do not think that any cross-examination is necessary so far as this witness is concerned.

Mr. NOLAN. Well, one of her last statements was that the United States Employment Service had agents throughout the departments.

Mr. MACCRATE. But they can meet that statement when they go on the stand.

Mr. NOLAN. I ask that the representative of the Employment Service, if he so desires, be permitted to cross-examine this witness.

Miss LILESTONE. May I speak a word just a moment?

Mr. NOLAN. I am only suggesting that they be asked if they want to cross-examine the witness.

Mr. HERSEY. If we pursue that policy there will be no end to the hearing.

Miss LILESTONE. Mr. Chairman—

Mr. BLANTON (interrupting). Unless they want it, that is all I want from you.

Miss LILESTONE. I want to take the time—

Mr. BLANTON. Just a moment.

Senator KENYON. If the witness wants to say something, she may do so.

Mr. BLANTON. I am through with her.

Miss LILESTONE. I was asked by Grace Porter Higgins, who is superintendent of the Woman's Division of the Employment Bureau, and her story is a lengthy one, if you want to listen to it now. She asked me if I was a member of the Employees' League, and I told her no, and she said that "it would be safer for you to become a member of it."

Mr. MACCRATE. Mr. Chairman, I have a list of the personnel of the employees of the bureau who are not members of the union, and for the purpose of the record, I think it should be introduced here.

The CHAIRMAN. Wait a little while until we get down to that end of it. The judge is anxious to get his case in.

(The following letter was thereafter ordered by the chairman to be incorporated in the record in full as follows:)

JUNE 27.

Hon. J. M. C. SMITH,

Chairman of the Joint Committee on Labor.

Senate Room 201, Capitol, Washington, D. C.

MY DEAR SIR: In my testimony before the committee which is investigating the Employment Bureau of the Department of Labor, owing to the limited time allowed me, I was unable to state the following facts which I would like to appear in the record:

Owing to physical breakdown due to my experience in the Education Information Bureau of the Department of Labor I transferred my \$1,500 position to a man who was in need of employment. This, on the assurance of Mrs. Grace Porter Hopkins, Chief of the Employment Bureau, that she would secure me another position when my strength would permit me to resume work.

After explaining to her my extreme financial condition, I then asked Mrs. Hopkins if the Government made any provision for hospital treatment for its employees at reasonable rates. She answered in the affirmative, and sent me to Providence Hospital, saying that the Government would bear my expenses while there. My expenses authorized by Mrs. Hopkins were \$35 per week. This hospital bill has not been paid by the Department of Labor.

Probably because I am not a member of the Employee's Union, the Employment Bureau has made no effort to secure me a position. I was not only advised by Mrs. Hopkins and Mrs. Neal, another chief of the same division, to leave Washington, but efforts were made by their clerks to get me out of the city.

Very truly, yours,

JULIA RAYNES LILESTONE,
826 Connecticut Avenue, Washington, D. C.

STATEMENT OF MR. R. P. LE PROHON.

MR. BLANTON. This is the second time that I have ever seen you, isn't it, Mr. Le Prohon?

MR. LE PROHON. Yes, sir.

MR. BLANTON. And the other was when I requested you to come here to testify?

MR. LE PROHON. Yes, sir.

MR. BLANTON. Give the committee your business and what connection you have had with any Employment Service?

MR. CASEY. Let us identify the witness.

MR. LE PROHON (interrupting). Just a moment. I would rather not give, under policy to me, not give my present occupation; I would rather not advertise that. What I have done is all right, but I do not care to tell in the testimony what I am doing to-day.

MR. BLANTON. Is what you have done in connection with the Employment Service?

MR. LE PROHON. For the last six years I have been in charge of employment work for a corporation.

MR. BLANTON. What corporation?

MR. LE PROHON. I am just coming to that. In 1913, until 1918, for the Phoenix Construction Co., during which period I handled all the employment for that company.

MR. BLANTON. In their employment have you ever worked for—

MR. LE PROHON. And shipped men—pardon me—through three States, Idaho, Utah, and Colorado.

MR. BLANTON. And in their service, have you worked for—

MR. LE PROHON (interrupting). And along about March, 1918, I was brought East by the Atlantic Loading Co. to take charge of the employment of the Atlantic Loading Co. plant at —, N. J.

MR. BLANTON. Mr. Le Prohon, during the life of what is known as the United States Employment Service, what restrictions were placed upon your private agencies by this Government agency, with regard to your business of continuing to get employment for the people that you represented?

MR. LE PROHON. Well, it was about the middle of July. I was in charge of the office—

The CHAIRMAN. What year?

MR. LE PROHON. 1918. A man by the name of Mr. Spitz, Joseph Spitz, I believe, was State director of the Federal Employment Service for the State of New Jersey, with offices at Newark, and he came into my office and left me a copy of a bulletin called the Employment Service News, or something—I am not familiar with the name of it—and he stated after August 1 that the Federal Employment Service expected to take over the control of all unskilled labor, and that I could not advertise in the papers for unskilled labor, could not give the rates to be paid, could not give the location where the position

was, or could not open an office in any city out of my district unless I had a representative in the Federal Employment Service; further, I should not ship men out of my district from any other State, or from any other district—in the beginning it was divided into districts, and a little later they had it on the principle of State lines, so that I was located between Atlantic City and Philadelphia, and between me and Atlantic City, or between our plant, there was a loading plant of the Bethlehem Loading Co., at Mays Landing, at New Jersey, and that was about 10 or 12 miles closer to Atlantic City than we were. It was on the electric line as well as the steam line. The commutation service was much cheaper between Atlantic City and Mays Landing than it was between Atlantic City and our plant. He said that I could not go out of my district to get men. If they would come to the State, I could hire them. Well, we were a Government plant, erecting and shell-loading plant. We were not doing anything else, and we were being paid on the cost-plus basis.

Mr. BLANTON. Did this loading company pay to the Federal director \$750 for paying transportation charges on men?

Mr. LE PROHON. Well, I will answer that question now, if you wish me to, or come up to it.

Mr. BLANTON. I want you to answer it right now, in that connection.

Mr. LE PROHON. About October 1 the Federal Employment decided also to take control of skilled labor of the company, and to impose the same restrictions on my securing help of the skilled labor as they did on the unskilled labor. We were short at that time of pipefitters. Then, too, I had the flu, was sick in bed, and the manager, Mr. E. C. Whitcomb, of the insurance branch, in my absence, went up and conferred with Mr. Stokes.

Mr. BLANTON. Do not go into something that has no relevancy. Just answer that question of whether or not you paid \$750 for paying transportation charges on the men?

Mr. LE PROHON. We advanced the Federal Employment Service, in Philadelphia, \$750 to pay the transportation for any steamfitters which they might secure in their bureau and ship down to us, they to take receipts and furnish us with the same.

Mr. BLANTON. Now, Mr. Le Prohon, in that connection, would you charge that \$750 to your cost-plus basis, against the Government, and collect it from the Government?

Mr. LE PROHON. Yes.

Mr. BLANTON. Now, did they ever furnish you those receipts for this \$750?

Mr. LE PROHON. No, sir.

Mr. BLANTON. And did you ever demand it of them?

Mr. LE PROHON. Mr. Whitcomb wrote two letters, and the general auditor wrote, too, and finally the Federal Employment Service closed down, and I went up with a receipt stating underneath it to be signed before a notary, that the above expense account was true and just, and I had Mr. Whitcomb sign it, sign five copies, and I took those to Mr. Stokes, and brought them down to the Government and turned it in, and the Atlantic Loading Co. was reimbursed.

Mr. BLANTON. Then, when they could not furnish you with a receipt, did you not require them to pay back to the company between \$350 and \$400?

Mr. LE PROHON. They never at any time claimed that they spent this money, but they admitted that they had a balance, and turned it in—

Mr. BLATON (interrupting). How much was it that they returned—that you required them to return?

Mr. LE PROHON. About \$350 to \$400, approximately one-half.

Mr. MACCRATE. But they were always willing to return that, were they not?

Mr. LE PROHON. Yes; there was no effort to keep it, sir.

Mr. BLANTON. But did they ever return it until you went up to demand the receipt?

Mr. LE PROHON. They sent the balance down, I think, after the second letter was written. I gave out the money in October, and we received an accounting for it in March.

Mr. BLANTON. Then there were two letters written before it was sent back?

Mr. LE PROHON. Yes, sir.

Mr. BLANTON. Mr. Le Prohon, did you obey the order of the Federal director with regard to not getting men, or was there any arrangement entered into between you and the Federal director whereby you could get men and give the credit for getting those men to the Employment Service; and if so, state what it was?

Mr. LE PROHON. Of course the plant was shut down. They do not build loading plants near a city, for the reason that if it blows up it would move the city over 10 or 12 miles. The Employment Service told me that I would have to depend upon our local population. Well, our local population there was mosquitoes. There was no local population. Hamilton was the nearest town, and it was a town of 4,000. Mays Landing was between our plant and Atlantic City, and consequently they got all of the men in Atlantic City, which was the nearest place, and it was the nearest place that I could go to get men under the Federal employment director's ruling.

The CHAIRMAN. And was there any trouble of one plant hiring the men away from another plant? Did that ever occur anywhere?

Mr. LE PROHON. Well, that does not occur anywhere where you have two employment men who are working in competition, because it is much cheaper for both firms to cooperate.

Mr. CASEY. Now, you are protesting against the action of the Federal Employment Service in taking over the employment of the unskilled labor on August 1, 1918?

Mr. LE PROHON. Yes; they tried to take charge of it, but no such a thing as that can happen.

Mr. CASEY. But you are protesting against that arrangement, are you not?

Mr. LE PROHON. I was for the company—I do not know—

Mr. CASEY (interrupting). Do you know whether there was a regulation that was a regulation of the United States Employment Service, or was it a regulation handed down by the council of defense or some other governmental activity, for the purpose of better conducting the war?

Mr. LE PROHON. Well, I do not see that it benefited the war.

Mr. CASEY. I am not asking you that, but I am asking you if that was a regulation of the Council of National Defense or some other governmental agency?

Mr. LE PROHON. No; I do not. I presumed that Mr. Spitz was doing it from the way he talked.

Mr. BLANTON. Whether or not they required you to give them the benefit or the credit for getting the labor, or whether you gave them the benefit of getting the labor or the credit for it—

Mr. LE PROHON (interrupting). I was shut out from Atlantic City and Philadelphia. Philadelphia was in the so-called Metropolitan district, or the northern district—but, anyhow, I was out of the district. I could not go into Camden for men, for they were operating on State lines, but I was allowed to place a man with the employment service in Camden, which I did. I had, prior to this employment service coming up, had an office in Philadelphia, which was run on a wage basis; we paid the man in charge there, who hired the men in the office and charged no fee, and we furnished transportation for the men and we deducted the net amount from the earnings of the men after they went to work, and I had been getting splendid results—was getting about 150 men a day.

Mr. BLANTON. I wish—that is all, as I am in a hurry to get away.

Mr. MACCRATE. Perhaps the witness will help the committee.

Mr. BLANTON. Well, I am in a hurry—

Mr. LE PROHON. Let me make an explanation. The employment question is a big thing. Every man who is hired is an individual proposition, and you do not hire a thousand men the same as you buy material. It is an individual proposition, and the human characteristic is there, and for that reason, to explain that—if you want to know the reason why—we were getting around 150 men a day out of Philadelphia from our own office. The Employment Service stepped in and said, "No; it can not be done. Stop it." Where was I to get my men? At my gates? Nobody could live there. Consequently I went up and I talked the matter over with the Camden man, Mr. Monroe, that has charge of the Federal employment in Camden.

At that time or a little later he said that he would see what could be done, so through some maneuvering he made arrangements with our Philadelphia office, that our Philadelphia office should remain open, and that we should hire men in the city of Philadelphia and ship them down from Philadelphia, and as you all know the transportation facilities, you go from Philadelphia to Camden across the ferry and take the train, so that you are actually shipping the men out of Camden. We were not allowed to take men out of Philadelphia, and we moved the office by the consent of Mr. Monroe, and we turned in a report, giving the name, number, and occupation of every man that we got from Philadelphia. That report was sent in to Mr. Monroe on their cards. We were furnished with a supply of Federal Employment Service cards, and we made them out and we sent them in as though the men were hired in Philadelphia, and the only difference was that they put them back—

Mr. BLANTON (interrupting). Was there any other way by which you could or your company could employ labor except by giving the Employment Service the credit for the employing of that labor.

Mr. LE PROHON. No; no way of getting them out of the city. I explained, or rather complained, that the employment service was not giving me service, and that came back to me, and they turned around and they wrote me that the Camden office showed that it had been producing sixteen or seventeen hundred men.

Mr. BLANTON. But those had been gotten by your own man——

Mr. LE PROHON. Yes, sir.

The CHAIRMAN. Are you in favor of the establishment in the Labor Department of the United States of a United States Federal employment bureau as a proposition which would meet your indorsement?

Mr. LE PROHON. Well, if there is civil service and good, competent men to examine the men, I am, but when it is a political proposition, as it is now, why, if I was director general, I could elect a President of the United States in two years.

Senator KENYON. Why do you say that it is political now?

The CHAIRMAN. And what are they, Democrats or Republicans?

Mr. LE PROHON. Well, New Jersey is a Republican State?

Senator KENYON. Why do you say that it is political now?

Mr. LE PROHON. As I stated before, I was dependent upon the Atlantic City office, and there was a fellow there by the name of Henderson, and he sends me down there deadwood—that is an employment term—and he sent me down for an executive position, for instance, a man 70 or 80 years old, who had been in the sheriff's office, and he sent him down there, Mr. Henderson did, with the statement that this man is a personal friend of Mr. Henderson——

Senator KENYON. Who is Mr. Henderson?

Mr. LE PROHON. He had a Federal employment—he was at that time a Federal employment man at Atlantic City.

Senator KENYON. Was he a politician?

Mr. LE PROHON. I don't know.

Senator KENYON. How is that politics?

Mr. LE PROHON. Well, if you send me down a man who is not capable to be placed in an executive position, and you try to use your influence to have the man placed, wouldn't that be politics?

Senator KENYON. Was he a politician?

Mr. LE PROHON. I don't know.

Senator KENYON. But a minister might send you down some one with a letter and state the same thing. I am honest in trying to find out on what you base your statement that it is a political organization now.

Mr. LE PROHON. Well, that happens, say, 10 or 12 times, as this did, and have the letters say always that the bearer is a personal friend of the employment man, if he has a man there—why, he is supposed to be helping people out, and why should he go out of his way to send a man down and state that he is a personal friend, and in some instances will appreciate anything that I can do for him.

Mr. MACCRATE. He was the employment man there——

Mr. LE PROHON. Yes; under the employment service.

Mr. MACCRATE. And of course if you received a letter like that from a man like that, you might want——

Mr. LE PROHON (interrupting). Well, you had to be kind of delicate about it.

Mr. NOLAN. How many men did Mr. Henderson furnish you?

Mr. LE PROHON. Well, maybe as high as 50.

Mr. NOLAN. All told?

Mr. LE PROHON. Yes.

Mr. NOLAN. And you don't know his politics?

Mr. LE PROHON. No, sir.

Mr. NOLAN. And he never asked you to do any political work for him, did he?

Mr. LE PROHON. No; I should say not.

Mr. NOLAN. Did he ask you to do any politics?

Mr. LE PROHON. No, indeed.

Mr. BLANTON. What per cent of the men that the employment service, or the United States Employment Service, irrespective of any efforts made by your man, that they might send you themselves, what percentage would you designate as deadwood?

Mr. LE PROHON. Let me see, let me understand you. I did not quite catch the question.

Mr. BLANTON. You said they sent you, besides the hundreds that you procured yourself, and that Mr. Henderson sent you about 50 men.

Mr. LE PROHON. Understand me, that is merely an estimate.

Mr. BLANTON. And what percentage of the 50 was deadwood?

Mr. LE PROHON. Well, it may have been as many as 15—as many as 12, I should say.

Mr. BLANTON. Twelve of them were deadwood, do you say, they are what would be termed “deadwood”?

Mr. LE PROHON. I did not say that 12 of them would be deadwood, but when a man comes in for an executive position, and he wants special consideration, that was the item that I protested against.

Mr. NOLAN. What was the period of time that it took you to take these 1,500 men out of Philadelphia?

Mr. LE PROHON. We sent 1,500 men a month out of Philadelphia.

Mr. NOLAN. Fifteen hundred men a month out of Philadelphia?

Mr. LE PROHON. Yes.

Mr. NOLAN. And those 1,500 men that you gave credit to the employment service, what period of time was that?

Mr. LE PROHON. I do not recall. We sent 1,500 men a month and I hollered on general principles, and they got back at me; they said that they had sent me 1,500 men and I couldn't figure it out at first and then I caught on.

Mr. NOLAN. And how many men were employed in your plant?

Mr. LE PROHON. From 4,000 to 9,000.

Mr. NOLAN. And you had a labor turnover of 1,500 a month?

Mr. LE PROHON. Oh, yes; 4,000 a month.

Mr. NOLAN. Four thousand a month?

Mr. LE PROHON. Yes, sir.

Mr. NOLAN. And where did you get those men outside of the 1,500 men that you got out of your office?

Mr. LE PROHON. Well, we got it out of New York.

Mr. NOLAN. Through what kind of service?

Mr. LE PROHON. Well, I will tell you, prior to this time that I learned of the employment service going to take over the control of the unskilled men, I sent West for an employment man. He was a No. 1 man, and I took him up with the intention of putting him on in New York, and putting him in our office. We had no fee, and we furnished the transportation, and deducted that transportation if a man did not stay with us for two weeks—one week if he was a laborer and two weeks if he was a mechanic. I went to Mr. Barnes, who was the State director of labor in New York, with Mr.

Turner, who was my representative, and I introduced myself and requested permission to open an office and to advertise, and I was told that I could not have permission; that I could not put a man in the Federal Employment Service; and that I could not ship men out of New York. Well, here I was; I had brought this man 3,500 miles and I had him on my hands and we were getting short of men. I went down to a fee-charging agency—the Federal Employment Service had no jurisdiction over them, and they could ship men anywhere—so I went down and placed Mr. Turner in charge of the transportation with a fee-charging agency, and the company agreed to pay the fee so that the men would have no charges.

The CHAIRMAN. This was a cost-plus plan that you were working on?

Mr. LE PROHON. Yes, sir.

The CHAIRMAN. And that would show the necessity of an employment bureau if it were properly conducted?

Mr. LE PROHON. No; it is a question of whether it would or not.

Mr. BLANTON. You did handle your business on a free basis until other agencies—

Mr. LE PROHON (interrupting). Yes; we handled our business in that way, and we made the proposal since we could not take men out of there—I do not believe that the Federal Employment Service found us shipping the men out, and they did not for about six weeks, and we shipped hundreds of men out in that six weeks.

The CHAIRMAN. And your earnings were more; the more men you had the more your earnings were?

Mr. LE PROHON. And the way that I done that was to put this man in a fee-charging agency—the Atlas Employment Agency, I think it was—and we paid the fee, and they had in the foreign newspapers—they advertised in the foreign newspapers—the employment service had instructed the other newspapers not to accept any advertising in which the rate or the location of the work was given. In other words, we were tied away from communication with the men that we wanted, unless you would apply to the Federal Employment Service, and when you went over there the priority was in effect. We would go over there and ask for the men and instead of the service sending them to you they were sending them to Nitrate at that time. The next day we would go there and they would be sending them to the Bethlehem Loading Co., but by advertising in the foreign-language newspapers, no one seemed to think of that, and we got the men that we wanted in that way.

Mr. McCRATE. Assuming that the National Employment Service is started, would it not be still possible for you to get the help that you wanted in that way?

Mr. LE PROHON. Yes, sir; but it is a tough one.

Mr. MACCRATE. I did not mean it to be hard, but you did do it during the war. You got these men from New York during the war even after the Employment Service was operating.

Mr. LE PROHON. Yes; after they were operating against us. The State employment offices or services have a proposition where they have a blackboard. They list their jobs, list every job that comes in. For instance, there are 15 firms—this was prior to the war; that was the practice that existed out West—they list every job; if there

are 15 farmers that want laborers, they put up every laborer that is wanted; if they want 40 for general work, or if they want 40 for blacksmith helpers or ditch work, they list them all. When a man comes in there he sees what jobs are open, and he can go and get his pick. The Federal Employment Service had priority; they used their judgment, and if you might need men badly, they did not believe that you did, but if you went to them and told them that you needed them badly they may not believe you, and consequently a man that would come in there would be sent to the Atlantic Loading Co. They would say, "We will ship them," and you would say, "When will you ship to us?" and they would say, "I do not know. I do not know when your priority will be in."

Mr. MACCRATE. You say that you charged no fee to the man himself.

Hr. LEPROHON. That is right.

Mr. MACCRATE. Now, you have had quite a wide experience in employment work, and you know of other employers in big plants—

Mr. LE PROHON. Yes, sir.

Mr. MACCRATE. And do you know whether your plant is the only plant that makes no charge of a fee to the men?

Mr. LE PROHON. No. Take any employment manager; they do not have any charge for the fee if they can possibly avoid it; but there is this much to be said for the fee-charging agency. While I do not favor the fee-charging agency, but if you give an order to a fee-charging agency, you know it is their bread and butter, and they are interested and will ask you all the particulars in regard to his transportation—do you take it out of his salary, does he get it after a certain period, does the man have to pay his board after the first week, what arrangements are there for him to go to town, is the town wet or dry—of course, it will all be dry after July 1—how are promotions granted, do you work Sundays—they will ask all of those questions and will get you the right men; and another thing, when they hire a man, if he is not satisfied he can go back and get back his fee within a week. The employment service, when you go to them, they will say, "What do you want?" We will answer, "A blacksmith." They will say, "All right. How much are you paying?" "Sixty cents." "Well, we will try to get you one," and they hang up. They don't know that blacksmith is to be working at horseshoeing or working in the machine shop or repairing wagons, or what he is doing, as they do when you get them from the fee-charging agency.

Mr. MACCRATE. Don't you have a card to fill out stating the job that you have and the requirements for it?

Mr. LE PROHON. No; not that I have seen. They might have had one, but I have not seen any of them. I will say that I wrote a letter giving that detail, because I wanted them to know, and I wrote several letters to the several places in New Jersey giving the exact details and describing the position.

Mr. MACCRATE. In these three States that you have given here in the West where you brought men from one State to another, about what percentage of the men crossing State lines would cross those State lines in order to get the employment?

Mr. LE PROHON. Yes; I sent them across State lines.

Mr. MACCRATE. But what percentage did you ship across State lines?

Mr. LE PROHON. Well, that is a proposition that I have never figured. I have never figured it out because I was not interested in it.

Mr. MACCRATE. For instance, let us say that you were in Idaho, and you wanted a man for a plant there. You would first try in the local market for the man, would you not?

Mr. LE PROHON. Oh, yes.

Mr. MACCRATE. And if you could not get any you would cross the line?

Mr. LE PROHON. Oh, yes; I have—

Mr. MACCRATE (interrupting). And about what percentage, if you have any idea, of the men would you have to bring across as a rule?

Mr. LE PROHON. Well, very few. Here is a proposition: If I have a job in Idaho, and I am in Salt Lake City, and I have men in Pocatello—I will say that we had a large electrical plant, and we built an \$8,000,000 plant in Grace, Idaho. If I wanted men in Grace, Idaho, I would advertise in Pocatello, giving the address at Grace, telling the men what train to take, and if they were out of work and needed a job they would come down there fast enough. It was foolish for me to go up to Idaho and bring them down to Salt Lake and then bring them to Grace.

Mr. MACCRATE. One of the objections to this advertising by private employment agencies is this, that perhaps three times the number of men will take trains to come to the place of employment that are needed. Did you ever see that?

Mr. LE PROHON. No; I have not. In 1913 it was bad, but as a general rule they won't. Four men out of five will reason it out in this way: "If I go down there, there may be 50 men there; but I won't go down, but I will write them a letter." So that it is very seldom that a job would be flooded unless it was a big job and the country was in very dire circumstances, with men out of work and unemployment was general. And, of course, where a man is advertising, is hiring men, you are hiring a camp—

Senator KENYON. The chairman asked you a question a while ago, and in reply you said that if you were placed at the head of the Federal Employment Bureau you could elect the next President of the United States.

Mr. LE PROHON. I think so. That is my opinion. I do not say that I can do it.

Senator KENYON. That is one of the objections raised to the bill; that is, its political power. Now, I would like you to assume, if you are at the head of the permanent bureau, I would like to have you tell us how you would elect the President of the United States. We are a good deal interested in that subject.

Mr. LE PROHON. Well, I do know about politics.

Senator KENYON. Tell us, if you will, just how you would use this bureau if you wanted to elect a President of the United States.

Mr. LE PROHON. Well, I would see the chairman of the executive committee of whatever party I was trying to elect, and find out who was the steering committee of each State, and I would put a good strong man in there, and I would take the Nolan bill, which you have

with the joker in it that the Government will donate an equal amount that the State does, if the State is run in accordance with the principles set down by the Federal Employment Service; in other words, if the State does not agree with the Federal Employment Service, then the Federal Employment Service does not help the State; then I would shut out every other firm from it and make everybody act through me, and I would instruct men that we would want to favor such and such people, and would give them precedence. In other words, if the party's leaders would send me any notes that this was a good man, I would get him a job, and if the fellow told me that he was not, he could not get any. The employment services could give the velvet jobs in the employment offices to the velvet men; in other words, you could have a job running a gasoline pump. That is a position in nine cases out of ten where you must watch the pump run, and the hardest thing to do is to keep awake. That would be a splendid place for a politician.

The CHAIRMAN. Do all politicians have to have gas jobs?

Mr. LE PROHON. Oh, there are lots of soft ones.

Mr. MACCRATE. In line with that, not only could the employee be benefited, but if the employers—for instance, an employer in New York State wanted 5,000 men and would call you up, and another State should call you up, and suppose that the national chairman—

The CHAIRMAN. Are you stating that that is done?

Mr. MACCRATE. I am asking whether or not that would be possible.

Mr. LE PROHON. Whichever one you wanted to favor, all you have to do is to shut the other man out. A man has no chance to get in touch—

Senator KENYON. Now, do you think that you have done enough to get the President elected?

Mr. LE PROHON. Well, wait. You are bringing it into a joshing standpoint—

Senator KENYON. No; I am not. I am interested in that.

Mr. LE PROHON. Well, I merely made that as the side remark.

Senator KENYON. I am greatly interested in that. That is one of the objections made to the bill—that it can be made a great national political agent.

Mr. LE PROHON. It can.

Senator KENYON. And I am not joshing, all right.

Mr. LE PROHON. All right. Of course, this is all supposition and hypothetical, and I do not know what would be done.

Senator KENYON. Well, you are a very bright man.

Mr. LE PROHON. No; I am not. I have been fooled so many times that I have got all over that. I would let it be known that you had to be all right in order to get a cushy job, a velvet job. If I let that be known, how long do you think—another thing, suppose a man had to bring a letter of recommendation from the district boss or the ward boss in which he lived to get any kind of a good position. Would not that sway all the votes in the city? How long would it take that news to go throughout the city?

Senator KENYON. You mean through the ward leaders?

Mr. LE PROHON. Yes, sir. I mean through the ward leaders—the corner saloon man is a good representative—and they would give them consideration. Men don't know about it—a man would come in there with that letter, and you don't know anything about—

Senator KENYON. Your idea is that it can be made a political instrument—

Mr. LE PROHON. Yes, sir; it affects everyone that works. Ninety per cent of the people are working people, they are working for some one else. If you have got the political power in control of that, why, you can have each city under the control of it.

Senator KENYON. Of course, it all depends on the honesty and patriotism of the men operating the offices.

Mr. LE PROHON. Put it under civil service. It says that they shall be appointed by the director general.

Mr. NOLAN. Have you read the bill?

Mr. LE PROHON. Yes; I read that.

Mr. NOLAN. Will you find out where it says that the State directors are to be appointed by the director general?

Mr. LE PROHON. Sure [examining the bill].

Mr. NOLAN. Let's see if you can find out where the director general will appoint the State directors.

Mr. MACCRATE. Did you refer to the first paragraph of the bill—

Mr. NOLAN. Let him find out.

Mr. LE PROHON [examining the bill]:

That out of the appropriations made under this act the Secretary of Labor is authorized to employ such assistants, clerks, and other persons in the District of Columbia and elsewhere, to rent buildings in the District of Columbia and elsewhere, to purchase supplies, materials, equipment, office fixtures, and apparatus, and to incur such travel and other expenses as he may deem necessary to carry out the provisions of this act.

Mr. NOLAN. Who appoints the State directors in control?

Mr. LE PROHON. I suppose the Federal Employment Service.

Mr. NOLAN. You have not read the bill very carefully then.

Mr. LE PROHON [examining the bill]. It says that there shall also be appointed such other assistants and employees in the District of Columbia and elsewhere as shall be necessary to carry out the purposes of the act.

Mr. NOLAN. Well, get down to where there is politics. There are no politics in the District of Columbia.

Mr. MACCRATE. "Elsewhere"—the District of Columbia and "elsewhere."

Mr. LE PROHON. Will you find it for me?

Mr. NOLAN. I can not. I introduced one bill and I can not find it. You said that you found it in there.

Mr. LE PROHON. Well, I read the part which I claimed covered it.

Mr. NOLAN. I wanted to know if you were familiar with the bill, to see whether, in saying that a Federal director—if you were a Federal director that you could elect a president. I want to know how you would control the State directors and the municipal employment directors and make them serve your political purposes.

Mr. MACCRATE. Do you mean by that—

Mr. LE PROHON. I read the portion which I claimed covered that, which gave that power to the director general. It said "elsewhere," in the District of Columbia and "elsewhere." "Elsewhere" covers every place but the District of Columbia.

Mr. NOLAN. Your impression is that the director general and Secretary of Labor has the right to appoint the State directors and all employees.

Mr. LE PROHON. It apparently says that. It says how they shall do it. They might do that and a committee could determine that.

Mr. MACCRATE. There is a provision in this bill which says that the National Government shall lay down standards. Does that enter into your mind as one of the dangerous political powers which this bill confers?

Mr. LE PROHON. Yes, sir.

Mr. GOULD. I wanted to ask this gentlemen whether he thought \$4,000,000 would be enough to carry on this work by the employment service, whether it was too much or not enough. It is a great subject, I appreciate, and I would like to have your views.

Mr. LE PROHON. Of course the amount which would be appropriated for the Employment Service, the amount found to be necessary would depend on conditions. Now, if times were hard, then you would need more offices. Now, conditions are such, I should say, from my knowledge of conditions, you would not need any employment service at all. You put up a notice at the post office and you won't need an employment service, but the men will read it, and they will hunt for a job, if you put up notices of the jobs in the post offices. You won't need any one office in any city, taking men out of jobs.

Mr. GOULD. Do you think that \$4,000,000 would be ample?

Mr. LE PROHON. I would say it would.

Mr. GOULD. Don't you think that it will be necessary for the Employment Service to have high-priced men in the National Government to compete with men say like yourself.

Mr. LE PROHON. I do not know. I am not a high-priced man. I do not know as I am any good. I have been at it six years, and I have not learned the rudiments of it. It is true that I know enough to tell whether a plasterer is a plasterer and whether he has callouses on his hands, and whether a mechanist is a machinist or a painter is a painter, and I can ask carpenters and bricklayers questions that anyone who is not familiar with the trade could not answer. I have studied that and made an examination——

Senator KENYON. Are you interested at all in any private agencies?

Mr. LE PROHON. No.

Mr. WILLIAM E. HALL. At the time that you complained that the Government took charge of the recruiting of labor, you were notified by an official bulletin of the United States Employment Service, were you not?

Mr. LE PROHON. Well, Mr. Spitz came down there, and I believe he showed me one of his bulletins. Then I wrote a letter and asked him how to obtain one, and by writing to the employment man at Camden I obtained it.

Mr. HALL. Did you read the proclamation of the President of the United States on the front page of that bulletin, that in the interest of industry, and in order to prevent pirating of labor, and the bidding higher and higher of wages, that it became necessary for the Federal Government to take some control of the situation?

Mr. LE PROHON. Yes, sir.

Mr. HALL. And you disagreed with the President?

Mr. LE PROHON. I disagreed with the President. Who benefits when the bidding comes? Who benefits? The laboring man.

Mr. HALL. I just asked you if you disagreed with the President and you said yes.

Mr. LE PROHON. Yes, sir.

Senator KENYON. He has a right to do that.

Mr. MACCRATE. Do you know who prepared the proclamation for the President? Was it the employment service that did that?

Mr. LE PROHON. I don't know.

Mr. MACCRATE. You do not know whether it was a man in the department or one of the officers of the employment service who did it?

Mr. LE PROHON. I do not.

The CHAIRMAN. That is the trouble that we experience by letting people from the outside to come in and take the examination of witnesses away from the committee, and the fact is that it depreciates the hearing.

Mr. HALL. I agree with you.

The CHAIRMAN. We ought to confine it to questions by the committee and conducted in an orderly way, conduct it in that way. If we let everybody around here ask questions, we will be here forever.

Mr. HALL. I only want to ask three questions. Mr. Blanton has asked a good many questions, and I would like to ask three questions.

Mr. BLANTON. May I ask who the gentleman is?

Mr. HALL. I am acting assistant director general.

Mr. CASEY. May I ask why the gentleman does not care to identify the department he is with?

Mr. LE PROHON. For the reason that I have given.

Mr. BLANTON. I think that the committee can protect you in keeping your job.

Mr. CASEY. What is your home address?

Mr. LE PROHON. Salt Lake City.

Mr. BLANTON. You are in the Government service, are you not?

Mr. LE PROHON. Yes.

The CHAIRMAN. If he has any objection to telling what department he is with, he need not do it. We will leave that to the witness.

Mr. HALL. I have no purpose of knowing where he is employed. I just want to ask him, do you know that under this bill every employee is under civil service?

Mr. LE PROHON. No; I do not.

Mr. HERSEY. I object to that.

Mr. HALL. Just another point, about politics in New Jersey.

Mr. NOLAN. I think that we ought to be fair and allow Mr. Hall to ask the question.

The CHAIRMAN. Do you want to do it?

Mr. NOLAN. I think that we should.

Mr. HALL. Do you know that Col. Louis P. Bryant was appointed by Gov. Edge, a Republican, and had been appointed as commissioner of labor, and then was appointed Federal director and that he has always had charge of that question for seven years in New Jersey of employment matters?

Mr. LE PROHON. No; I have never seen Mr. Bryant.

Mr. BLANTON. Are there other agencies in the same situation that your agency has been throughout the East that you know of?

Mr. LE PROHON. I know of others, but they expect—I presume that they have some reason for not wanting that gone into.

Mr. BLANTON. About how many—

Mr. LE PROHON (interrupting). They expect Government work of some kind.

Mr. BLANTON. And you do not care to tell how many there are without giving the names?

Mr. LE PROHON. No; because if I did not give you their names it would be of no value.

The CHAIRMAN. I do not think that you should leave any impressions of that kind that improper deductions might be drawn from. It would raise suspicions—

Mr. BLANTON. Well, will you answer the question? The committee wants to know. How many such places are there in the East, and New England, for instance?

Mr. NOLAN. We will want all of the details. Let us know all about it.

Mr. LE PROHON. Well, I could not give that without giving the names of the parties, and they have reasons—

Mr. BLANTON. Stand aside, please.

STATEMENT OF MR. STANLEY R. LYNN.

Mr. BLANTON. May I show the committee the extent of the propaganda that has been sent out under the signature of the Federal director's office. I would like to put an excerpt into the record.

The CHAIRMAN. Do you want to put that in here? I do not think you want to.

Mr. BLANTON. It won't take me more than two minutes.

The CHAIRMAN. You are surely opening the door there to a great mass of testimony. I suggest that that is not a part of the case, and we can get along without it—

Mr. BLANTON. It is in behalf of this particular bill.

The CHAIRMAN. Why, there is so much of that, I have received lots of letters that are really stereotyped.

Mr. BLANTON. I mean over the signature of the Federal director.

The CHAIRMAN. If you want to ask the witness any questions, you may do it.

Mr. BLANTON. Mr. Lynn, what position do you hold here in Washington? What position are you in in Washington?

Mr. LYNN. I am working in the transportation section.

Mr. BLANTON. Of what service?

Mr. LYNN. Employment service. I used to be in the correspondence section, assistant chief and acting.

Mr. BLANTON. Mr. John B. Densmore is your employer, is he not, the director general?

Mr. LYNN. Yes, sir.

Mr. BLANTON. Yesterday I sent you this notice:

Mr. STANLEY R. LYNN,

United States Employment Service, Washington, D. C.

SIR: The joint sessions of the Senate and House Committee on Labor have authorized me to present before such session to-morrow at 10 o'clock a. m., in room 201, Senate Office Building, certain evidence.

I respectfully request that you kindly appear there at that time, as I desire to interrogate you concerning certain business of your department. Kindly bring with you the following documents:

1. The record of travel for Luther S. Steward for months of July, August, September, October, November, and December, 1918.

2. Request for transportation No. L517736 by Jeanette V. Densmore, July 4, 1918, from New York to Atlantic City, N. J., and the three Pullman coupons attached thereto, numbered, respectively, as follows:

Office Form 2357, No. 5071,

Office No. 2357, Form 2, 5072, and

Office No. 2357, Form 2, 5073, all of same being from New York to Atlantic City, issued July 4, 1918.

3. Request for transportation No. L517737 signed by Jeanette V. Densmore, July 7, 1918, from Atlantic City, N. J., to New York, and the Pullman coupon from Atlantic City, N. J., to New York, July 7, 1918.

4. Voucher No. 30682, travel expense Miss Jeanette V. Densmore for \$747.33, trip begun about September 3, 1918. I might add that I have personally inspected the above, and they should be easily found in your department.

I will also ask you to be prepared to tell what you know concerning about \$300 collected by Mr. Harry Parks, Personnel Section, official station, Washington, for trips he took away.

Also please investigate voucher No. 20479 for \$13.75 to Lillian Haberkost, Akron, Ohio, December 12, 1918, and voucher No. 27137 for \$12.70 to Lillian Haberkost, Akron, Ohio, March 6, 1919.

Do you know anything about a conversation occurring between Mr. Mason and Mr. Smythe, when by way of an excuse Smythe told Mason he could go to Cleveland to inspect furniture?

Kindly investigate voucher for \$15.10 giving reason of S. Tyson Kinsell to go to his home in Philadelphia.

Hoping that you will kindly reply with the foregoing requests, I am,

Very truly, yours.

Mr. BLANTON. First, as to the traveling record of Mr. Luther C. Steward for the months of July, August, September, October, November, and December, 1918.

Mr. MACCRATE. Was not the first question if you received this communication?

Mr. LYNN. Yes, sir.

Mr. BLANTON. Did you comply with the request that I made?

Mr. LYNN. Yes, sir.

Mr. BLANTON. Have you the travel cards of Luther C. Steward?

Mr. MACCRATE. I think that we are going beyond anything that this committee will have to consider. I do not think that we should go into that.

The CHAIRMAN. I have been contending for that right along.

Mr. MACCRATE. Mr. Chairman, here are people accused of improper use of money inside of an organization. This has nothing to do with the organization itself. The machine may be all right, but the mechanic using it may be all wrong, and if we are going to take evidence in detail here as to how money was spent in going to Philadelphia and all that sort of thing, I do not think that we will ever finish.

Mr. BLANTON. May I call the attention of the committee to the fact that on yesterday in the House of Representatives, Mr. John B. Densmore, Federal director for the United States Employment Service, caused to be placed in the Congressional Record a statement by himself, where he denies flatly that Miss Jeanette V. Densmore got three Pullman transportations at Atlantic City, or rather at New York, on July 4, to Atlantic City, and when I can show the number of those three Pullman transportation coupons, so that they can be identified by the railroad company, by a question asked this witness only a few days ago, that they were attached to the state-

ment of a traveling voucher, signed by Miss Densmore, and that they were inspected by me and this witness, does it not bear upon this inquiry where the record of a department is put into the Congressional Record at no later date than yesterday, and where those three coupons have been taken out of that department within the last few days, and they were attached to the traveling statement, and can not be found at this time, do you mean to say that this committee is not interested in that testimony?

The CHAIRMAN. You have a resolution looking toward an investigation of that very question.

Mr. BLANTON. I am talking about whether or not we ought to pass this bill now.

Mr. HERSEY. What jurisdiction has the committee of this?

The CHAIRMAN. I do not see any.

Mr. BLANTON. I think that it is very close, because under this bill the Employment Service will stay in existence.

The CHAIRMAN. Maybe we will put such restrictions on it—

Mr. BLANTON. But there are no such restrictions in the bill now.

The CHAIRMAN. But the committee has not reported out the bill.

Mr. BLANTON. That is my purpose right now, to get this committee to put in the proper restrictions. Otherwise I have wasted my time—

The CHAIRMAN. What is the wish of the committee?

Mr. MACCRATE. I move you, Mr. Chairman, that the testimony be not allowed at this time, because it does not seem to be worth our while to go into the matter of payments for clerks, and so on. The question before us is whether we ought to have a bureau—

Mr. BLANTON (interrupting). And I want to call attention, Mr. Chairman, to the fact that my testimony has disappeared, some of it, from this department, and I have had this witness bring before me testimony showing the sum of \$737.33 collected by a young lady through travel, for travel, when I am sure that there was no occasion for it. As I stated, three of these Pullman vouchers have disappeared. How are we to know that the balance of this testimony will not disappear in the future? I ask the committee, in order to establish a permanent record, and they are important records, to make a permanent record at this time. This young man has to take these figures back and file them in this department. This committee has no right to keep them here, and the very minute they are taken back to those files we have lost jurisdiction over them. They can be destroyed and wiped out.

Mr. MACCRATE. I would suggest that if this testimony is taken, it will, of course necessitate the calling in of the clerk, and all of the people who bought the Pullman tickets, and we will never finish. If we open that up here, then it will be only fair to them to say to them, "Come in here and tell what you know about this affair."

The CHAIRMAN. I think that you are absolutely right, but I will leave it to the committee.

Mr. CASEY. Has this committee got jurisdiction over matters of this kind? Have we not committees of the House and of the Senate that look after the expenditures of this department—committees on expenditures?

The CHAIRMAN. So far as I am concerned, I would say that we ought not to go into this collateral matter. What do you think, Senator Kenyon?

Senator KENYON. We have a committee in the Senate to investigate these expenditures, as well as in the House. If these charges are true, I think that some of those committees ought to get busy. As for myself, I do not want to see anything covered up; but, Mr. Congressman, we are concerned here with a bill for a specific purpose—

Mr. BLANTON (interrupting). Give me that voucher of Miss Densmore, that she turned in; not the \$700 one, but the little one from New York to Atlantic City. I will state this to the committee, that just a short time ago I inspected the three Pullman vouchers that were pinned on here [indicating], and you can see the pin-point holes right here in the documents now.

Senator KENYON. Do you claim that she should not have had this—

Mr. BLANTON. I do; and Mr. Densmore denies that—

Senator KENYON. Then it is a question of misappropriation of funds—

Mr. BLANTON (interrupting). It is a question of whether or not this department is in the hands of proper people. Now, if these three vouchers have disappeared, how can we put into the Congressional Record that a Member of the House of Congress has misrepresented the facts?

Senator KENYON. But you can answer that on the floor of the House.

Mr. BLANTON. I intend to answer it on the floor of the House, but I thought that this committee might want to ask about it. This witness comes here as an involuntary witness. I am pulling out of him some evidence that I want to get. He is a witness from the enemy's camp. I brought him here. He may not know that he did not have to come, but if he had not come a subpoena would have been sent after him, but he obeyed the letter.

Now, Mr. Chairman, if that other evidence has disappeared, I believe there is a chance of this disappearing also.

Mr. MACCRATE. Why bother with the three Pullman tickets, which cost about 80 cents apiece? Do you think that a committee, holding hearings the purpose of which is to consider a bill establishing a new department or bureau, should go into that and call 20 or 30 other witnesses—

Mr. BLANTON (interrupting). But if the director general will misrepresent a fact about one thing, even about one penny, it means just as much to me as if it were \$5,000,000. Mind you, I do not say that he has—

The CHAIRMAN. Would it be satisfactory to you to have those records brought by Mr. Lynn read into this record?

Mr. BLANTON. Mr. Chairman, there is a whole lot that I expect to show by this witness. I believe I can show by this witness that employee after employee has been detailed from their homes here and there in order that they might draw the \$4 per diem extra to their already big salaries. I believe that I can show that \$1,200 employees have been raised to \$3,000, \$4,000, and \$5,000—

The CHAIRMAN. Your statement is very interesting, and it is possible that we may come to a place where it may be required.

Mr. MAHER. Do you think that we should not have a Labor Department?

Mr. BLANTON. I have been convinced, from what I have been told by these witnesses, that the whole Labor Department ought to be cleaned out from the top down.

Mr. MAHER. We are here to determine about a bureau——

The CHAIRMAN. Suppose you defer that until to-morrow. It is pretty near 12 o'clock, and let us have an opportunity to go into executive session.

Mr. BLANTON. I do not know whether they will ever let him come back or not.

The CHAIRMAN. Well, if you want us to, we will help you out on that point. The joint committee would like to have an executive session.

Mr. BLANTON. Mr. Chairman, may I ask that you have copies made of all of that testimony brought by Mr. Lynn?

The CHAIRMAN. Is that a department document?

Mr. LYNN. Yes, sir.

Mr. BLANTON. They are all department documents.

Senator KENYON. I move that the joint committee now have an executive session for five minutes.

(Thereupon, at 11.50 o'clock a. m., the joint committee went into executive session.

Thereupon, at 11.55 o'clock a. m., the executive session ended and the committee room was opened, and the joint committee adjourned until the following morning, June 26, 1919, at 10 o'clock a. m.)

NATIONAL EMPLOYMENT SYSTEM.

THURSDAY, JUNE 26, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met pursuant to adjournment at 10 o'clock a. m., in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senators Kenyon and Jones; Representatives Smith (chairman), Casey, Hersey, Watson, Nolan, Gould, MacCrate, and Zihlman.

Also present: Hon. Thomas L. Blanton, Member House of Representatives from Texas; Stanley R. Lynn, employed in the transportation section of the United States Employment Service; Patrick L. Collins, employed with Federal Board of Vocational Education; J. S. Brand, formerly employed with the United States Employment Service; C. A. Burroughs, auditor for the Shipping Board.

The committee continued its consideration of the Senate bill (S. 442) to provide for the establishment of a national employment system and for the cooperation with the States in the promotion of such system, and to regulate the expenditure of moneys that shall be appropriated for such purposes; and the Senate bill (S. 688) to provide for a national employment system; and House bill (H. R. 4305) to provide for the establishment of a national employment system, and for the cooperation of the States in the promotion of such system, and to regulate the expenditure of moneys that shall be appropriated for such purposes.

The CHAIRMAN. The committee will be in order. Mr. Blanton, I believe that you had a witness on the stand yesterday?

Mr. BLANTON. Yes, Mr. Chairman.

STATEMENT OF STANLEY R. LYNN—Resumed.

Mr. BLANTON. Mr. Chairman, I have here a little documentary evidence that I would like to put in the record.

The CHAIRMAN. Yes.

Mr. BLANTON. I will now offer here a letter that I have received from Austin, Tex., dated June 7, 1919, and which reads:

Hon. Thomas L. Blanton—

The CHAIRMAN. Before you read that into the record tell us what you want to show by it?

Mr. BLANTON. Mr. Chairman, I am reading this inasmuch as this concerns the restrictions that I am going to request the committee to put on this Nolan-Kenyon bill. I want to show that there should be some restrictions placed in the bill limiting the propaganda that is sent out at the expense of the Government.

The CHAIRMAN. Why don't you have it printed. Why waste the time to read it?

Mr. BLANTON. Well, I would like to show by this—

The CHAIRMAN (interrupting). State what those exhibits are and then put them in.

Mr. BLANTON. This is a letter that I received from the editor of the Austin American, which says:

Rather odd situation when a department of the United States Government would use its official press-agent matter to discredit a Congressman, as per attached letters received by the Austin American.

The two documents that he incloses are specially prepared editorials over the signature of Mr. H. W. Lewis, Federal Director of the United States Employment Service of the Department of Labor at San Antonio, Tex., and they are released for the Texas morning papers for Saturday, June 7, and for Monday, June 9, 1919.

Mr. CASEY. You have already put that in the Congressional Record on the floor of the House, have you not?

Mr. BLANTON. Yes, I have; but I want this to go in the record here.

The CHAIRMAN. This is a letter from whom?

Mr. BLANTON. The letter is signed by the editor of the Austin American.

Mr. HERSEY. And you say that the editorials are prepared for that paper and are written by Mr. H. W. Lewis, Federal director for the State of Texas?

Mr. BLANTON. And I wish the editorial attached to the letter of the editor of the Austin American to go into the record at this point.

I have also a letter, just a three-line letter, from Mr. Sledge, who is the editor of one of the papers down there:

NOTE.—I get an armful of this "dope" in every mail. Presume that some of the high-salaried clerks in the Department of Labor are kept on the job sending it out. It is a waste.

SLEDGE.

Then there is a four-page typewritten, specially prepared, editorial sent out by Mr. H. W. Lewis, Federal Director of the United States Employment Service, at San Antonio, Tex., for release for the Texas morning papers on June 5.

Mr. HERSEY. What is the editorial about?

Mr. BLANTON. To try to show that the United States Employment Service is one of the most vital interest to the United States Government, and to induce the people to believe that if it were hampered with or restricted in any way in the world the whole Government would stop functioning.

That is the propaganda sent broadcast through the United States.

Mr. HERSEY. Just speaking all of themselves?

Mr. BLANTON. Yes. You understand that they are put into the newspapers without Mr. Lewis's name being put to it, and it looks

as though those articles were coming from the newspapers themselves, that the editors of those papers wrote them themselves.

Then, here is a two-column article published as of June 21, 1919, in the Comanche Enterprise, copied from the Waco News. I just want to call the committee's attention to one other matter. It says:

Also, by the vote of the floor of the United States House of Representatives last week, when the deficiency bill, providing \$300,000 for the continuation of the service during the month of June was voted on and received the support of the entire House with the exception of two votes—

And so on.

And it especially takes up my name as a Member of Congress that has been opposed to this matter, and is sent out to be printed in every paper in the district.

The CHAIRMAN. Who did that, Mr. Blanton?

Mr. BLANTON. The Waco News Co.

The CHAIRMAN. But who wrote the article, who wrote it?

Mr. BLANTON. There is no name signed to it.

The CHAIRMAN. Well, if there is no name signed to it, how can the department be held accountable for it?

Mr. BLANTON. Well, if the committee will read this document—

The CHAIRMAN. If you do not connect the department up with it, how is the department to blame for what some one wrote and put in that paper?

Mr. BLANTON. I will put it in the record and the committee can draw their own conclusion. There are some very astute lawyers on this committee, and by reading it they can see the earmarks of Mr. Lewis on it.

Mr. CASEY. Does this misrepresent your attitude in any way?

Mr. BLANTON. Certainly it does. I am not against union labor. I am not against the Employment Service; but I am against graft from a nickel to a billion dollars; I am against that. I am not fighting the Employment Service itself.

The CHAIRMAN. But you do not know, and you are not pretending to state, who wrote that article?

Mr. BLANTON. Yes; I do. It says—let me read this article. It says—

The CHAIRMAN (interrupting). Well, the article will show for itself.

Mr. BLANTON. But let me call your attention to show that it does come from Washington. It reads:

Continuation of the United States Employment Service organized during the war as a war emergency, and maintained during the so-called reconstruction period following the armistice, by voluntary subscription, is to be made a permanent institution in the Department of Labor despite the efforts of Congressman Thomas L. Blanton, of Texas. This is the statement of Harvey L. Cobb, Washington representative of the service, in Waco yesterday, working in conjunction with the Waco branch of the Employment Service in its efforts to supply farmers with needed labor—

And so on.

That connects it up with the Washington office. Mr. Cobb was sent down there, I understand, by numerous editors—

The CHAIRMAN. Unless you know, you should not state it.

Mr. BLANTON. He claimed to be sent down there from Washington. I will leave these and have them printed in the record.

(The first two articles referred to accompanying the letter from the editor of the Austin American, purporting to be sent out by H. W. Lewis, are printed in full, as follows:)

[Department of Labor, U. S. Employment Service, San Antonio, Tex. News editor: For release Texas morning papers, Monday, June 9. H. W. Lewis, Federal Director.]

Asserting that Congressman Thomas L. Blanton "had broken faith with his constituents and despite his promise to support an appropriation for the United States Employment Service had killed it in the House on a point of order," D. S. Smith, of Abilene, one of Congressman Blanton's constituents, yesterday notified Federal Director Lewis, at San Antonio, that the Abilene office would be closed; that the Chamber of Commerce could no longer support it.

"Owing to lack of funds, the Abilene office of the Employment Service has been financed by the Chamber of Commerce since March 22, and was to be financed until Congress could provide the necessary funds," said Mr. Smith.

"Congress failed to make appropriation for the maintenance of the Abilene office for the month of June" stated Mr. Smith's telegram to the Federal Director, "and the Abilene Chamber of Commerce has decided that if the Government can not take care of its own office that they do not care to take care of it for them."

The Abilene office of the United States Employment Service, according to officials of the service, is placing a great many soldiers and sailors each week. The biggest need, however, for the employment office at this time is the recruiting of labor for farm work.

"We are receiving calls from 50 to 60 employers every day asking for some 10 to 100 laborers each. Unless labor can be supplied to these farmers, it means an enormous amount of food will be wasted, because it can not be harvested," asserted the State Director of the United States Employment Service.

[Department of Labor, U. S. Employment Service, San Antonio, Tex. News editor: For release Texas Saturday morning papers, June 7. H. W. Lewis, Federal Director.]

Following the efforts of Congressman Thomas L. Blanton, of the sixteenth district, to discontinue the United States Employment Service by having Congress withhold the necessary appropriation for its continuance, on a point of order in the House, Col. Arthur Woods, Assistant to the Secretary of War, has declared the continuance of the Employment Service still a war measure and necessary in the work of finding jobs for soldiers discharged from the Army.

Appropriation for the service, after having been favorably reported on by the House Appropriations Committee, was stricken out of the deficiency bill on a point of order made by Congressman Blanton on the ground that Congress had never sanctioned the organization of the Employment Service in the Department of Labor and therefore that it was out of order to appropriate funds for its maintenance. However, in view of the declaration by Col. Woods that the need of the service still exists as a war measure, it is expected that when the bill reaches the Senate favorable action will be taken and the necessary funds furnished to continue the work of finding jobs for jobless men and women.

"Despite Congressman Blanton's pledge to his constituents that he was in favor of a permanent Employment Service in peace times as well as war times," declared State Director Lewis, at San Antonio, yesterday, "he has repudiated his statement and broken faith with them, in that it was his action alone on a technicality that caused the failure of the bill before the House."

(The article on which the note from Mr. Sledge was written is printed in full, as follows:)

DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE
San Antonio, Tex.

NEWS EDITOR:

This is sent you gratis (for release Texas morning papers June 5).

H. W. LEWIS, Federal Director.

Denying emphatically charges made by Congressman Thomas L. Blanton, of Abilene, that the Department of Labor, through the United States Employment Service "was subsidized by unionism" and "ruled by organized labor," Secre-

tary of Labor William B. Wilson yesterday asked Congress to enact legislation creating a permanent public employment service in the United States.

Citing from the fact that since organization 18 months ago the Employment Service has found jobs for more than 5,000,000 men and women, and that despite lack of funds, that 60,000 to 70,000 are being found jobs each week now, made possible through voluntary subscription for the maintenance of the service until Congress has an opportunity to provide the necessary appropriations. Of the 24 employment offices in operation in Texas now, all but three are being financed by outside subscriptions.

The outline of the bill as submitted by Secretary of Labor Wilson calls for the continuance of the United States Employment Service as a permanent bureau in the Department of Labor operated in cooperation with the States and Federal Government.

In his recommendation to Congress asking that a permanent employment system be established despite the pressure that is being brought to bear by opponents of the service, Secretary Wilson said in part:

"For many years there has been a growing recognition of the necessity for public employment offices through the assistance of which men and women out of employment may be able to learn of the opportunities to work which they could not find through their own efforts. That workers and employers need so-called labor exchanges has been demonstrated by the fact that it has proved highly profitable for individuals to operate such exchanges on a commercial basis. That such services to workers and employers should not be left solely to private fee-charging agencies has also been demonstrated. In order to make the operation of such agencies profitable they have to charge a fee for placing worker in employment. Such fees are exacted from those who can least afford to pay them, and instances of abuse and extortion have been so frequent as to constitute an abuse known to all who are familiar with the situation.

"Inasmuch as the interests of the private fee-charging agencies are fostered by constant shifting of workers from one employment to another, they are under constant temptation, to which unfortunately they sometimes yield, to encourage restlessness among laborers and thus to increase the evils and economic loss which is here in a large labor turnover.

"From the viewpoint of the industrial efficiency of the Nation as well as of the individual welfare of the workers it has proved to be sound policy to place the task of bringing together the worker and the job on a noncommercial basis. Furthermore, it is obvious that in order to enable workers in one community to know of positions open in remote localities and to enable employers who can not find sufficient workers in their neighborhood to take advantage of a surplus of labor existing elsewhere, it is necessary that there should be intercommunication between the labor exchanges of one community and among the various States. The only way this has ever been brought about has been through the action of the Federal Government.

"The need of an agency may to a large extent be gauged by the use to which it is put. By this test it would seem to be demonstrated that there is need for a national system of employment-service offices. During the 11 weeks from the first of September to the week ending November 16, 1918, 1,158,792 workers were placed in positions through the United States Employment Service, an average of 105,000 a week. During the 15 weeks after the signing of the armistice, up to the week ending March 1, 1919, 1,282,643, or an average of 80,000 workers a week, found employment through the agencies of the Federal service. During the eight weeks since the curtailment of this service, made necessary through failure of funds, 491,590 workers, an average of 61,000 a week, have successfully used the offices maintained under the supervision of the United States Employment Service in finding positions.

"It is obvious that all these men and women resorted to the Employment Service because they could not really find work without its assistance, and that in the absence of some system of public labor exchanges would have had to seek the assistance of private fee-charging offices. I take it that the need for some system of public employment offices is well established and generally recognized and that upon this point there can be little, if any, difference of opinion.

"In my judgment the duty of maintaining a system of labor exchanges is primarily one which rests upon the municipality and the State. The expense, for example, of securing employment in New York City for men and women out of work there and of assisting employers there in securing labor does not seem to me to be one which should be borne by those who pay taxes in the

Nation without contribution by the citizens of the State and city of New York. Not only does the obligation rest primarily upon the locality, but the local government is also primarily concerned with the efficient administration of the local offices, and those who live in the locality are in the best position to observe and insist upon efficient local administration.

"On the other hand, the establishment and maintenance of an efficient system of local labor exchanges is a matter of national concern. Just as the Federal Government has felt the necessity of encouraging, for example, the development of good roads in the various States, the extension of industrial training, and the development of agricultural lands and perfection of agricultural methods, so the Federal Government has a like interest in the development of national efficiency through the prompt bringing together of workers seeking employment and employers seeking workers.

"Furthermore, the problem of an efficient employment service transcends State lines. An effective adjustment of labor supply and labor demand frequently means movements of workers from one State to another. The Federal Government is the one power which can secure sufficient uniformity of method and interchange of information to accomplish the required results. The United States Employment Service, for example, has been instrumental in transferring between States an average during the year of 1919 of over 8,000 workers a month.

"Existing conditions, varying largely in the different States, and the immediate national necessity of meeting the problems of soldier replacement and industrial readjustment complicate the attaining of such ultimate system. Many of the States have not as yet realized the responsibility for establishing public employment offices and in them no State system exists. In a number of others there is a State employment system, but one which is entirely inadequate. At the present time in only a very few of the States are conditions such that the ultimate conception of an employment service which has been set forth, can be put in operation at once."

(The article in the Comanche Enterprise referred to is printed in full, as follows:)

WACO BRANCH EMPLOYMENT SERVICE MADE PERMANENT.

Continuation of the United States Employment Service, organized during the war as a war emergency and maintained during the so-called reconstruction period following the armistice by voluntary subscription, is to be made a permanent institution in the Department of Labor, despite the efforts of Congressman Thomas L. Blanton, of Texas.

This is the statement of Harvey L. Cobb, Washington representative of the service, in Waco yesterday, working in conjunction with the Waco branch of the Employment Service in its efforts to supply farmers with needed labor.

CREDIT DUE CONGRESSMAN CONNALLY.

"Much of the credit is due Congressman Tom Connally, Representative in this district," declared Mr. Cobb. "It was largely through the efforts of Congressman Connally that the Waco branch of the Employment Service has been maintained by voluntary subscription from the 22d of March until Congress could provide the necessary funds for the continuation of the 25 offices in Texas.

"The Waco office is supplying hundreds of farm hands to the farmers in this district each week, and it will be the means of saving many thousands of dollars to the farmers, who otherwise would be unable to obtain the necessary labor to harvest their crops."

TEXAS NEEDS FARM LABOR.

"It is estimated by Federal Director Lewis, of the Employment Service, that Texas is short 35,000 to 50,000 farm hands. In the southern part of the State the farm-labor situation became so pronounced that importation of Mexican laborers has been made by the Employment Service in order to aid the farmers. Hundreds of Mexicans and their families are being brought into Texas each week by the Employment Service, in conjunction with the immigration authorities.

"In order to conform to the immigration laws an employer is held responsible for the return of the labor to the Federal authorities when he has finished with it. The prevailing wage is paid, and hundreds of Mexican laborers are being induced each week to come across the Rio Grande and assist in the harvesting of Texas's enormous crops. When their work has been finished, they are returned to the Federal authorities and deported."

OLD OPPOSITION LOSING HOLD.

"Opposition to the Federal Employment System, which has been bitter on the part of the fee agencies and Congressman Thomas L. Blanton, because of his antipathy toward the Department of Labor, is not being found by the country at large," declared Mr. Cobb.

"This is demonstrated by the fact that throughout the United States more than 500 offices have been maintained the past 2 months by voluntary subscription. Also by the vote on the floor of the United States House of Representatives, last week, when the deficiency bill, providing \$300,000 for the continuation of the service during the month of June, was voted on and received the support of the entire House with the exception of two votes."

SERVICE ACTS AS LABOR CLEARING HOUSE.

Organized as a war emergency in January, 1918, the Employment Service placed 2,490,000 men into war work up until the date the armistice was signed. Since the armistice the service has placed approximately 2,600,000 men into peace-time jobs, and is placing men now at the rate of 60,000 or 70,000 a week, without charge to either the employer or the employee.

"The need of such a national clearing house from an economical viewpoint is quite obvious to those familiar with labor supply and demand," declared the Washington representative of the service.

"The United States' unemployed is estimated at a yearly average of 900,000. The economical loss to the country of productive efforts of 900,000 men is enormous each year. If this figure could be reduced to an average each year of say only 800,000, the economical gain to the country is tremendous. Figuring the low mean average of a man's work at \$2 per day by keeping the average down 100,000 a day, the economical saving is \$200,000 per day to the country."

Texas branch hears from 210,000.

"The work of the Texas employment offices illustrates to some degree, at least, how useful the work has been. Since its establishment here 14 months ago, the service has received applications from 210,000 jobless men and women, and of this number the service has placed 187,000, without cost to the applicant."

CHAIN MUST BE UNBROKEN.

"During the war 8 or 10 laborers were required to keep 1 fighter going. They are the ones who passed the buckets of water to the firemen to throw on the burning world. Had there been a break in the chain of hands the blaze would have gotten beyond control. Even so it is with our peace-time problems. Factories can not operate, traders can not move goods, ships can not carry the production of America to the four corners of the earth unless the great army of labor is properly mobilized.

"It's passing buckets at a fire again. There must be enough men in every line, but not too many. The Federal Employment Service is a potential labor-clearing house for the whole country. By an overwhelming vote it has been retained and will become one of the most useful and profitable legacies of the war." (Waco News.)

Mr. BLANTON. Mr. Lynn, your name was put in the record yesterday, was it not?

Mr. LYNN. Yes, sir.

Mr. BLANTON. And you have worked for the Labor Department how long?

Mr. LYNN. Nine years.

Mr. BLANTON. Nine years?

Mr. LYNN. Yes, sir; the 1st of July.

Mr. BLANTON. Are you still employed by any branch of the Department of Labor, and if so, what branch?

Mr. LYNN. Yes, sir; I am employed by the Employment Service of the Department of Labor.

Mr. BLANTON. And how long have you been with the Employment Service of the Department of Labor?

Mr. LYNN. I have been with them since its organization.

Mr. BLANTON. Since it was originated, and then—

Mr. LYNN (interrupting). I was two years in employment work in the division of information, Bureau of Immigration.

Mr. BLANTON. Making how long you have been with the bureau or the department?

Mr. LYNN. Nine years.

Mr. BLANTON. And during those nine years' employment has any complaint ever been made of your services rendered?

Mr. LYNN. Why, yes; I was supplanted by a labor man, named S. Tyson Kinsell.

Mr. BLANTON. And when did that occur?

Mr. LYNN. That occurred in December.

Mr. BLANTON. What I mean, was there any complaint made that your services were not satisfactory in any way?

Mr. LYNN. There was, but I was never able to find out what it was; I was unable to put in a word. I was not given a chance to present my side of the case. A number of them were interested down there, and I was unable to get anything out of the Department of Labor.

Mr. BLANTON. But you were never discharged from the Department of Labor, were you?

Mr. LYNN. No, sir; but I guess I became almost near it.

Mr. BLANTON. What branch of the service are you in charge of?

Mr. LYNN. I am not in charge of any now.

Mr. BLANTON. Well, what branch of the service have you been in charge of?

Mr. LYNN. Well, I was in charge of the correspondence section. I was called in one day by Mr. Luther S. Stewart, who is one of the worst scamps that ever—

Mr. BLANTON. Now, just wait a minute, and answer the questions that I ask you. I want to save the time of the committee here, and I want to ask you questions and have you answer them. You were requested by me to bring certain documents, were you not? I requested you in a letter to bring certain documents?

Mr. LYNN. Yes, sir.

Mr. BLANTON. Did you bring those documents, Mr. Lynn?

Mr. LYNN. Yes, sir; I have them here.

Mr. BLANTON. This is a claim of \$747, gentlemen. This is a voucher showing a claim of \$747.33, made by Jeanette V. Densmore, for reimbursement of that amount which she claims she expended in travel and so on, and I want to get that into the record.

The CHAIRMAN. Without objection, it will be allowed to be put into the record.

(The vouchers and notices of suspensions above referred to are here printed in the record in full, as follows:)

VOUCHER FOR SALARY, PER DIEM, AND TRAVELING EXPENSES.

[Appropriation: "War Emergency Employment Service, 1919."]

Send check to room 513, 916 Sixteenth Street.
Official station, Washington, D. C.

The United States to Miss Jeanette V. Densmore, Dr.

For services as assistant chief women's work from Sept. 3, 1918, to Feb. 23, 1919, inclusive:

For per diem in lieu of subsistence Sept. 4 to Feb. 23, inclusive,
172 days, at \$4----- \$688.00

For reimbursement of traveling expenses during the month of
—, 191— (as shown within and by subvouchers annexed)
under travel order No. —, or written authorization attached----- 59.33

Total----- 747.33

Examined by H. C. T., 3-14-19.

MEMORANDUM VOUCHER.

This statement must be prepared by the officer in charge of district and the sum of the items must be the same as the amount in which the voucher is submitted.

District No. Adm:

Expenses of United States Employment Service—

Additional compensation----- \$688.00

Traveling expenses----- 54.48

Paid by check No. 74182, dated Mar. 14, 1919----- 742.48

Memorandum of travel performed upon transportation requests.

Date of travel.	Transportation request No.	From—	To—	Via railroad.	Amount.
Sept. 3	LE 32	Washington	Midland	B. & O.	
3	LE 31	do.	Chicago	Pullman	\$3.50
3	LE 33	Chicago	Midland	do.	
11	LE 34	Midland	Rapid City	G. N.	3.52
21	LE 35	Rapid City	Deadwood	G. & W.	1.36
21	LE 36	Deadwood	Denver	B. R.	16.72
21	LE 37	do.	do.	Pullman	3.00
27	LE 38	Denver	Salt Lake City	D. & S. L.	15.23
27	LE 39	do.	do.	Pullman	
30	LE 40	Salt Lake City	Butte	O. S. L.	
30	LE 41	do.	do.	Pullman	
Oct. 2	LE 42	Butte	Missoula	M. P.	
8	LE 44	Kalspell	Spokane	G. N.	8.45
8	LE 43	do.	do.	Pullman	1.60
9	LE 45	Spokane	Seattle	G. N.	9.45
9	LE 46	do.	do.	Pullman	1.58
10	LE 47	Seattle	Portland	O. W. R. H.	
10	LE 48	do.	do.	Pullman	
14	LE 50	Portland	San Francisco	S. P.	
14	LE 49	do.	Oakland	Pullman	
25	LE 371	San Francisco	Los Angeles	S. P.	16.28
25	LE 372	do.	do.	Pullman	2.50
Nov. 5	LE 373	Los Angeles	San Diego	S. F.	4.38
5	LE 374	do.	do.	Pullman	.63
8	LE 376	San Diego	Los Angeles	S. F.	4.38
8	LE 375	do.	do.	Pullman	.63
13	LE 377	Los Angeles	Phoenix	S. P.	20.18
13	LE 378	do.	do.	Pullman	3.00
15	LE 379	Phoenix	El Paso	A. E.	20.30
15	LE 380	do.	do.	Pullman	3.25
18	LE 381	El Paso	San Antonio	S. P.	21.70
18	LE 382	do.	do.	Pullman	3.75
21	LE 383	San Antonio	Fort Worth	M. K. & T.	
21	LE 384	do.	do.	Pullman	3.00
23	LE 385	Fort Worth	Dallas	N. T. T. Co.	1.25
25	LE 386	do.	do.	do.	.70
25	LE 387	Dallas	Oklahoma City	R. I.	8.30
25	LE 388	do.	do.	Pullman	2.00

Memorandum of travel performed upon transportation requests—Continued.

Date of travel.	Transportation request No.	From—	To—	Via railroad.	Amount.
Dec. 4	LE 389	Oklahoma.	Wichita.	A. F. & S. F.	\$5.18
4	LE 390	Wichita.	Topeka.	S. F.	
4	LE 1921	do.	do.	Pullman.	
6	LE 19422	Topeka.	Kansas City.	S. F.	1.85
9	LE 19423	Kansas City.	St. Louis.	C. & A.	8.40
9	LE 19424	do.	do.	Pullman.	2.00
12	LE 19425	St. Louis.	Memphis.	F.	9.30
12	LE 19426	do.	do.	Pullman.	2.00
21	LE 19427	Memphis.	Oklahoma City.	R. I.	14.81
21	LE 19428	do.	do.	Pullman.	3.00
Jan. 2	LE 19429	Oklahoma.	Little Rock.	R. I.	10.50
2	LE 19430	do.	do.	Pullman.	2.50
6	LE 19431	Little Rock.	Hot Springs.	I. M.	1.62
8	LE 19432	Hot Springs.	Malvern.	R. I.	.66
8	LE 19433	Malvern.	Texarkana.	M. P.	.66
8	LE 19434	do.	do.	Pullman.	.28
9	LE 19435	Texarkana.	Houston.	T. & S.	9.20
9	LE 19436	do.	do.	Pullman.	6.40
10	LE 19437	Houston.	Galveston and return.	G. H. & E.	2.00
11	LE 19438	do.	New Orleans.	G. C. L.	10.60
11	LE 19439	do.	do.	Pullman.	2.00
16	LE 19440	New Orleans.	Natchez.	Y. & N.	
16	LE 21651	do.	do.	Pullman.	1.00
21	LE 21652	Natchez.	Vicksburg.	Y. & M. V.	2.31
21	LE 21653	Vicksburg.	Jackson.	A. & B.	1.31
21	LE 21654	Jackson.	Meridian.	A. & V.	3.11
21	LE 21655	do.	do.	Pullman.	.50
23	LE 21656	Meridian.	Birmingham.	A. O. S.	4.56
23	LE 21657	do.	do.	Pullman.	.83
27	LE 21658	Birmingham.	Atlanta.	S. R.	5.04
27	LE 21659	do.	do.	Pullman.	2.00
30	LE 21660	Atlanta.	Jacksonville.	S.	10.38
30	LE 21661	do.	do.	Pullman.	2.50
Feb. 3	LE 21662	Jacksonville.	Miami.	F. E. C.	
3	LE 21663	do.	do.	Pullman.	
8	LE 21664	Miami.	New Smyrna.	E. E. C.	7.25
8	LE 21665	do.	do.	Pullman.	2.00
15	LE 21666	Jacksonville.	Savannah.	A. C. L.	5.28
15	LE 21667	do.	do.	Pullman.	.75
19	LE 21668	Savannah.	Charleston.	A. C. L.	3.48
19	LE 21669	Charleston.	Columbia.	S. R.	3.90
22	LE 21670	Columbia.	Raleigh.	S. P. L.	6.00
22	LE 31951	Raleigh.	Richmond.		4.74
22	LE 31952	Columbia.	Washington.	Pullman.	3.00
22	LE 31953	Richmond.	do.		3.50

Voucher for salary, per diem and traveling expenses.

Date.	Character of expenditure.	No. of transportation request.	Sub-voucher No.	Amount.
1918.				
Sept. 3	Left Washington for Midland, S. Dak., 8 p. m. B. & O. R. R.	LE 32		
3	Washington to Chicago, Pullman, \$8.50, B. & O., coupon attached.	LE 31		
3	Street-car fare, Washington, official business.			\$0.05
4	Per diem starts midnight, Chicago to Midland, S. Dak., lower berth, coupon attached.	LE 33		
4	Tip to Pullman porter.			.25
4	Tip to red cap porter, Chicago, handling official baggage.			.25
5	Tip to Pullman porter.			.25
6	do.			.25
11	From Midland to Rapid City, S. Dak., \$3.52, C. & N. W.	LE 34		
11	Tip to red cap porter, handling official baggage.			.10
21	Bus to depot, Rapid City, S. Dak.			.25
21	Left Rapid City, S. Dak., for Deadwood, S. Dak., C. & N. W., \$1.36.	LE 35		
22	Left Deadwood for Denver, Colo., Burlington Route, \$16.72.	LE 36		
22	Tip to Pullman porter.			.25
22	Taxi from station to Hotel Denver, carrying heavy official baggage, Denver, Colo.			.75
23	Pullman Deadwood to Denver, Colo., Burlington Route, lower berth, \$3, coupon attached.	LE 37		

Voucher for salary, per diem and traveling expenses—Continued.

Date.	Character of expenditure.	No. of transportation request.	Sub-voucher No.	Amount.
1918.				
Sept. 27	Taxi from hotel to station, Denver, carrying heavy official baggage.			\$0.75
27	Left Denver, Colo., to Salt Lake City, Utah, Denver & Salt Lake, \$15.25.	LE 38		
27	Pullman, Denver to Salt Lake City, Utah, D. & S. L. R. R., coupon attached.	LE 39		
27	Tip to Pullman porter.			.25
28	Tip to station porter, handling heavy official baggage.			.10
28	Bus to hotel from station, in Salt Lake City.			.50
30	Salt Lake City, Utah, to Butte, Mont., Oregon Short Line.	LE 40		
30	Pullman, Salt Lake City to Butte, Oregon Short Line, coupon attached.	LE 41		
30	Tip to Pullman porter.			.25
30	Bus to depot from hotel, Salt Lake City.			.50
30	Tip to station porter, handling heavy official baggage.			.15
Oct. 1	Tip to station porter, handling official baggage.			.25
1	Tip to Pullman porter.			.25
1	Taxi from station to hotel, Butte, Mont.			.50
2	Left Butte, Mont., to Missoula, Mont., Pacific R. R.	LE 42		
2	Pullman, Butte to Missoula, coupon attached, paid cash.			.60
3	Taxicab from hotel to depot, Butte, Mont.			.50
3	Tip to station porter, handling official baggage.			.15
3	Tip to Pullman porter.			.25
7	Took auto stage from Missoula to Polson, paid cash, forgot to get receipt. No other transportation available at the time, and this expense saved one day's time.			5.00
7	Took steamboat Hodge Navigation Co., from Polson to Kallispell, paid cash, coupon attached.			1.50
7	Tip to porter (Kallispell).			.25
7	Taxi to hotel (Kallispell).			.50
9	Taxi from hotel to train (Kallispell).			.50
9	Left Kallispell for Spokane, Wash., G. N. R. R.	LE 44		
9	Pullman, Kallispell to Spokane, coupon attached \$1.60.	LE 43		
9	Tip to Pullman porter.			.25
9	Bus to hotel, Spokane.			.50
9	Left Spokane for Seattle, G. N. R. R. \$9.45.	LE 45		
9	Pullman, Spokane to Seattle, \$1.58 coupon attached.	LE 46		
9	Bus to train, Spokane.			.50
9	Tip to Pullman porter.			.25
9	Tip to station porter, handling official baggage.			.10
9	Taxi to hotel, Seattle, from station.			.50
10	Seattle, Wash., to Portland, Oreg., O.-W. R. N.	LE 47		
10	Pullman, Seattle to Portland, coupon attached.	LE 48		
10	Taxi from hotel to station, Seattle.			.10
10	Tip to station porter handling official baggage.			.10
10	Tip to Pullman porter.			.25
11	Tip to station porter, Portland, handling official baggage.			.25
11	Taxi from station to hotel, Portland.			.50
14	Left Portland for San Francisco, S. P. R. R.	LE 50		
14	Pullman, Portland, Oreg., to Oakland, Calif., coupon attached.	LE 49		
14	Taxi from hotel to station, Portland.			.50
15	Tip to Pullman porter.			.25
15	Tip to Pullman porter.			.25
16	Boat and street car fares, 4 trips from Oakland to San Francisco.			.40
16	Tip to station porter handling official baggage.			.25
16	Street car fare, San Francisco.			.05
25	Left San Francisco for Los Angeles, S. P. R. R., \$16.28.	LE 371		
25	Pullman, San Francisco to Los Angeles, S. P. R. R., \$2.50. Coupon attached.	LE 372		
25	Tip to Pullman porter.			.25
26	Tip to station porter, Los Angeles handling official baggage.			.20
26	Taxi from station to hotel, Los Angeles.			.75
Nov. 1	Street car fare, official business, Los Angeles.			.10
2	do.			.10
5	do.			.10
5	Taxi from hotel to station, Los Angeles.			.50
5	Tip to porter handling official baggage.			.25
5	Left Los Angeles for San Diego, Santa Fe R. R., \$4.38.	LE 373		
5	Pullman, Los Angeles to San Diego, \$0.63. Coupon lost.	LE 374		
5	Taxi from station to hotel, San Diego, \$0.50.			.50
5	Tip to station porter handling official baggage.			.10
6	Taxi from hotel to station, San Diego.			.50
6	Left San Diego for Los Angeles, Santa Fe R. R.	LE 375		
6	Pullman, San Diego to Los Angeles. Coupon lost.	LE 376		
6	Taxi from station to hotel, Los Angeles.			.50
13	Taxi from hotel to station, Los Angeles.			.50
13	Left Los Angeles for Phoenix, S. P. R. R.	LE 377		

Voucher for salary, per diem and traveling expenses—Continued.

Date.	Character of expenditure.	No. of transportation request.	Sub-voucher No.	Amount.
1918.				
Nov. 13	Pullman, Los Angeles to Phoenix, coupon attached.	LE 378		
13	Tip to Pullman porter.			\$0.25
14	Taxi from station to hotel, Phoenix.			.50
14	Tip to station porter handling official baggage.			.25
15	Taxi from hotel to station, Phoenix.			.50
15	Left Phoenix, Ariz., for El Paso, Tex., A. E. R. R.	LE 379		
15	Pullman, Phoenix to Maricopa, had to pay cash, coupon attached, seat.		3	.28
15	Pullman, Maricopa to El Paso, coupon attached.	LE 380		
16	Tip to Pullman porter.			.25
16	Tip to station porter handling official baggage.			.10
16	Taxi from station to hotel, El Paso.			.50
18	Taxi from hotel to station, El Paso.			.50
18	Left El Paso for San Antonio, S. P. R. R.	LE 381		
18	Pullman El Paso to San Antonio, coupon attached.	LE 382		
18	Tip to station porter handling official baggage.			.10
19	Tip to Pullman porter.			.25
19	Taxi from station to hotel, San Antonio.			.50
19	Tip to station porter, handling official baggage.			.10
19	Taxi from hotel to station, San Antonio.			.50
19	Left San Antonio for Fort Worth, M. & T. R. R.	LE 383		
19	Pullman, San Antonio to Fort Worth, coupon attached.	LE 384		
19	Tip to Pullman porter.			.25
22	Tip to porter, Fort Worth (porter took grip from train to hotel).			.25
23	Fort Worth to Dallas, Tex., and return N. T. T. Co., \$1.75.	LE 385		
23	Street car fare, official business, Dallas.			.10
25	Fort Worth to Dallas, N. T. T. Co., \$0.70.	LE 386		
25	Taxi from hotel to station, Fort Worth.			.50
25	Tip to station porter, handling official baggage.			.10
25	Left Dallas for Oklahoma City R. I. R. R., \$8.30.	LE 387		
25	Pullman, Dallas to Oklahoma, \$2 coupon attached.	LE 388		
26	Taxi from station to hotel, Oklahoma City.			.50
26	Tip to Pullman porter.			.25
26	Tip to station porter handling official baggage.			.10
27	Street car fare, official business, Oklahoma City.			.10
28	do.			.10
29	do.			.10
30	do.			.10
Dec. 4	Taxi from station to hotel, Oklahoma City.			.50
4	Left Oklahoma for Wichita A. T. & S. F. R. R., \$5.18.	LE 389		
4	Tip to station porter handling official baggage.			.25
4	Left Wichita to Topeka, S. F. R. R.	LE 390		
4	Pullman, Wichita to Topeka, coupon attached.	LE 19421		
6	Tip to station porter handling official baggage.			.25
6	Left Topeka for Kansas City, \$1.95, S. F. R. R.	LE 19422		
7	Tip to Pullman porter.			.25
7	Taxi from station to hotel, Kansas City.			.50
9	Taxi from hotel to station, Kansas City.			1.00
9	Tip to station porter handling official baggage.			.25
9	Left Kansas City for St. Louis C. & A. R. R., \$8.40.	LE 19423		
9	Pullman, Kansas City to St. Louis, \$2, coupon attached.	LE 19424		2.00
10	Tip to Pullman porter.			.25
10	Tip to station porter handling official baggage.			.25
10	Taxi from station to hotel, St. Louis.			.50
11	Street car fare, St. Louis, official business.			.10
12	Taxi from hotel to station, St. Louis.			.50
12	Left St. Louis for Memphis, F. R. R., \$9.30.	LE 19425		
12	Pullman, St. Louis to Memphis, \$2, coupon attached.	LE 19426		
12	Tip to station porter handling official baggage.			.25
13	Tip to Pullman porter.			.25
13	Taxi from station to hotel, Memphis.			.75
13	Tip to station porter handling official baggage.			.10
14	Carfare, official business, Memphis.			.50
21	Taxi from hotel to station, Memphis.			.75
21	Tip to station porter handling official baggage.			.25
21	Left Memphis, Tenn., for Oklahoma City, \$14.81.	LE 19427		
21	Pullman, Memphis to Oklahoma, \$3, coupon attached.	LE 19428		
21	Tip to Pullman porter.			.25
1919.				
Jan. 2	Taxi from hotel to station, Oklahoma City.			.50
2	Left Oklahoma City for Little Rock, Ark., \$10.50, R. I. R. R.	LE 19429		
2	Pullman, Oklahoma to Little Rock, \$2.50, coupon attached.	LE 19430		
2	Tip to Pullman porter.			.25
2	Tip to station porter handling official baggage.			.10
3	Taxi from station to hotel, Little Rock.			.50
6	Left Little Rock for Hot Springs, \$1.62.	LE 19431		
6	Taxi from hotel to station, Little Rock.			.50
6	Taxi from station to hotel, Hot Springs.			.50

Voucher for salary, per diem and traveling expenses—Continued.

Date.	Character of expenditure.	No. of transportation request.	Sub-voucher No.	Amount.
1919.				
Jan. 8	Taxi from hotel to station, Hot Springs.....			\$0.50
8	Left Hot Springs for Halvern, \$0.66.....	LE 19432		
8	Chair car from Hot Springs to Malvern, paid cash, coupon attached.....		4	.25
8	Left Malvern for Texarkana M. P. R. R.....	LE 19433		
8	Pullman, Malvern, Texarkana, coupon attached.....	LE 19434		
8	Tip to Pullman porter.....			.25
8	Tip to boy carrying grip from station to hotel.....			.25
9	Tip to boy carrying grip from hotel to station.....			.25
9	Left Texarkana for Houston T. & P. R. R.....	LE 19435		
9	Pullman, Texarkana to Houston, coupon attached.....	LE 19436		
10	Tip to Pullman porter.....			.25
10	Taxi from station to hotel, Houston.....			.50
10	Houston to Galveston and return G. H. & E. R. R.....	LE 19437		
11	Taxi from hotel to station, Houston.....			.50
11	Left Houston for New Orleans G. C. L. R. R.....	LE 19438		
11	Pullman Houston to New Orleans, coupon attached.....	LE 19439		
12	Tip to Pullman porter.....			.25
12	Tip to station porter handling official baggage.....			.25
12	Taxi from station to hotel, New Orleans.....			.50
16	Taxi from hotel to station, New Orleans.....			.50
16	Tip to porter handling official baggage.....			.25
16	Left New Orleans for Natchez, Miss. Y. M. R. R.....	LE 19440		
16	Pullman from New Orleans to Natchez, coupon attached.....	LE 21651		
17	Tip to Pullman porter.....			.25
17	Taxi from station to hotel, Natchez.....			.50
21	Taxi from hotel to station, Natchez.....			.50
21	Tip to station porter handling official baggage.....			.25
21	Left Natchez to Vicksburg, Y. M. R. R.....	LE 21652		
21	Left Vicksburg for Jackson A. V. R. R.....	LE 21653		
22	Left Jackson for Meridian A. V. R. R.....	LE 21654		
22	Pullman, Jackson to Meridian, coupon attached.....	LE 21655		
22	Tip to Pullman porter.....			.25
23	Left Meridian for Birmingham A. G. R. R.....	LE 21655		
23	Pullman, Meridian to Birmingham, coupon lost.....	LE 21657		
23	Tip to Pullman porter in Alabama.....			.25
24	Tip to station porter, handling official baggage in Alabama.....			.25
26	Taxi from hotel to station, Birmingham.....			.50
27	Left Birmingham for Atlanta, S. R. R. R.....	LE 21658		
27	Pullman, Birmingham to Atlanta, coupon attached.....	LE 21659		
27	Tip to Pullman porter.....			.25
27	Taxi from station to hotel, Atlanta.....			.50
27	Left Atlanta for Jacksonville, Fla., S. R. R.....	LE 21660		
27	Pullman, Atlanta to Jacksonville, coupon attached.....	LE 21661		
Feb. 1	Tip to Pullman porter.....			.25
1	Street car fare, Jacksonville.....			.05
3	Taxi from hotel to station, Jacksonville.....			.50
3	Left Jacksonville for Miami, F. E. C. R. R.....	LE 21662		
3	Pullman, Jacksonville to Miami, coupon attached.....	LE 21663		
4	Tip to Pullman porter.....			.25
4	Tip to station porter handling official baggage.....			.25
4	Taxi from station to hotel, Miami.....			.50
4	Street car fare, official business, Miami.....			.25
8	Taxi from hotel to station, Miami.....		f.	.50
8	Left Miami for New Smyrna, F. E. C. R. R.....	LE 21664		
8	Pullman, Miami to New Smyrna, coupon attached.....	LE 21665		
8	Tip to Pullman porter.....			.25
8	Tip to station porter handling official baggage.....			.25
8	Took automobile trip, starting at New Smyrna across the State and return to Jacksonville, from the 8th to 15th. Off. busl. No chg. to Govt. for auto.....			
12	Tip to porter handling official baggage, Daytona.....			.25
13	do.....			.25
14	Tip to porter handling official baggage, Jacksonville.....			.25
15	Taxi from hotel to station, Jacksonville.....			.50
15	Tip to station porter handling official baggage, Jacksonville.....			.25
15	Left Jacksonville for Savannah, A. C. L. R. R., coupon attached.....	LE 21666		
15	Pullman, Jacksonville to Savannah.....	LE 21667		
15	Tip to Pullman porter.....			.25
15	Taxi from station to hotel, Savannah.....			.50
15	Tip to station porter handling official baggage, Savannah.....			.25
19	Taxi from hotel to station, Savannah.....			.50
19	Tip to station porter handling official baggage.....			.25
19	Left Savannah to Charleston, A. C. L. R. R.....	LE 21668		
19	Left Charleston to Columbia, S. C. S. R. R.....	LE 21669		
19	Taxi from station to hotel, Columbia.....			.50

Voucher for salary, per diem and traveling expenses—Continued.

Date.	Character of expenditure.	No. of transp- r- tation request.	Sub- voucher No.	Amount.
1919.				
Feb. 19	Tip to station porter handling official baggage.....			\$0.25
20	Taxi from hotel to station, Columbia.....			.50
20	Tip to station porter handling official baggage.....			.15
20	Left Columbia for Raleigh, S. B. L. R. R.....	LE 21670		
21	Taxi from station to hotel, Raleigh.....			.35
22	Taxi from hotel to station (took me to wrong depot).....			.50
22	Taxi from wrong depot to right depot.....			.50
22	Left Raleigh for Richmond.....	LE 31931		
22	Pullman from Columbia to Washington, coupon attached.....	LE 31952		
22	Tip to Pullman porter.....			.25
22	Left Richmond for Washington, R. P. & W. S. R. R.....	LE 31953		
	Per diem ends midnight.....			
23	Arrived in Washington at 2.00 a. m.....			
23	Street car fare, Washington.....			.05
	Per diem claimed from Sept. 4 to Feb. 22 at \$4 per day.....			
	Total.....			59.33

None of the car fares mentioned in this voucher have been used between boarding house or place of residence and office or place of business.

The taxicabs mentioned in this voucher were absolutely necessary, as I had suitcases filled with official baggage and street cars did not run from station direct to hotels.

NOTICE OF SUSPENSIONS.

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, March 14, 1919.

JEANETTE V. DENSMORE,
Assistant Chief Women's Work,
United States Employment Service, Washington, D. C.:

You are advised that the following deductions have been made from your September 3, 1918, to February 23, 1919, accounts:

Date, descriptions of items, and reasons for deductions:

Account rendered for..... \$747.33

Voucher shows you proceeded via Oregon Short Line, Salt Lake City to Butte, Mont.; that you gave Pullman porter tip on 30th of 25 cents; also that you paid a second tip of 25 cents on October 1 on arrival at Butte.

Section 39 of Travel Regulations prescribes a fee to Pullman porters not to exceed 25 cents for each period of 24 hours; this does not apply to calendar days. The run from Salt Lake City to Butte takes less than 24 hours. Suspended.....

\$0.25

Oct. 8, 1918, tip to porter, Kalispell, Mont., 25 cents. Sections 35, 39, and 44 of Travel Regulations require that the specific services rendered must be shown in voucher; your voucher does not show what service this porter performed nor whether or not it was personal or official service. Suspended.....

.25

Dec. 12, 1918, tip to station porter handling official baggage, Memphis, Tenn. Suspended.....

.25

.75

Amount approved for payment..... 746.58

Account rendered for..... 746.58

Dec. 13, 1918—

Tip to Pullman porter, Memphis..... .25

Tip to station porter, handling official baggage, Memphis..... .10

Date, descriptions of items, and reasons for deductions—Contd.

Account rendered for—

Dec. 21, 1918, tip to station porter, handling official baggage, Memphis-----	\$0.25
Jan. 2, 1919—	
Tip to Pullman porter, Little Rock, Ark-----	.25
Tip to station porter, handling official baggage, Little Rock, Ark-----	.10
Jan. 8, 1919—	
Tip to Pullman porter, Texarkana, Ark-----	.25
Tip to boy carrying grip, Texarkana, Ark-----	.25
Jan. 17, 1919, tip to Pullman porter, Natchez, Miss-----	.25
Jan. 21, 1919, tip to station porter, handling official baggage, Natchez, Miss-----	.25
Jan. 22, 1919, tip to Pullman porter, en route Jackson, Miss., to Meridian, Miss-----	.25
Jan. 27, 1919, tip to Pullman porter, Atlanta, Ga-----	.25
Feb. 15, 1919, tip to station porter, handling official baggage, Savannah, Ga-----	.25
Feb. 19, 1919, tip to station porter, handling official baggage, Savannah, Ga-----	.25
	<u>\$2.95</u>
Account rendered for-----	743.63
Feb. 19, 1919, tip to station porter, handling official baggage, Columbia, S. C-----	.25
Feb. 20, 1919, tip to station porter, handling official baggage, Columbia, S. C-----	.15

The above tips to various porters are suspended for the reason that voucher shows they were given in the States of South Carolina, Mississippi, Arkansas, Tennessee, and Georgia, in which States the payment of tips is prohibited by law.

Dec. 9, 1918, voucher shows you paid for taxi, station to hotel, Kansas City, 50 cents; that you also paid for taxi, hotel to station, \$1; 50 cents had been suspended from the charge of \$1 for the reason that voucher fails to state why there should be this discrepancy in the charge for taxi. Suspended-----	.50
January 8, 1919, tip to boy carrying grip in Texarkana.	
Remarks to exception of Jan. 8 apply-----	.25

1.15

Amount approved for payment----- 742.48

Suspended items which can be explained should be taken up in your next monthly account. Attach this notice to the next expense account in which you include suspended items.

For the director general:

Assistant Director, Control Division.

MARCH 14, 1919.

From: Director general.

To: Jeanette V. Densmore, assistant chief, women's work, United States Employment Service, Washington, D. C.

Subject: Special authority.

1. In conformity with expense account submitted by you for the period September 3, 1918, to February 23, 1919, amount \$747.33, authority is hereby granted covering the expenditure by you of \$5 for auto stage from Missoula to Polson, Mont., it being noted that no other means of transportation was available at the time and that the hiring of this automobile saved one day's time.

2. In view of the fact that you failed to secure a receipt covering this service in support of your claims for reimbursement, as provided for in section 4 of the Travel Regulations, this requirement in this instance is waived.

3. These expenses are properly chargeable to the appropriation, "War emergency employment service, 1919," and in order to expedite payment of the account a copy if this authority has been attached to the voucher.

Approved:

Acting Director General.

Assistant Secretary.

Mr. CASEY. I would like to ask the witness a few questions now. Are these documents you have brought here official documents?

Mr. LYNN. Yes, sir.

Mr. CASEY. Official documents of the Department of Labor?

Mr. LYNN. Yes, sir.

Mr. CASEY. And by whose authority did you take them out?

Mr. LYNN. I took them out by letter of authority.

Mr. CASEY. A letter of authority from whom?

Mr. LYNN. From Mr. Blanton.

Mr. CASEY. And is that the only authority you had to take official documents from the files of the Department of Labor?

Mr. LYNN. Yes; but I considered that sufficient.

Mr. BLANTON. Have you that letter that I wrote to you?

Mr. LYNN. Yes; I have it here.

Mr. BLANTON. And you acted on that letter?

Mr. LYNN. Yes; I acted on that letter.

Mr. BLANTON. And did you deem that that letter authorized you to bring those documents here?

Mr. LYNN. I did.

Mr. BLANTON. On this claim for \$747.33 there was allowed \$742.48, there being deductions for overpayments; it seems that the department limited tips to porters to 25 cents—

Senator KENYON. What was that for?

Mr. BLANTON. For travel for Miss Jeanette V. Densmore.

Senator KENYON. For Miss Jeanette V. Densmore? Who is Miss Jeanette V. Densmore?

Mr. BLANTON. She is a sister of the director general, I am informed. They deducted some overcharges of tips, and so on, which reduced it to \$743.48, and the auditor allowed, I notice, Miss Densmore the sum of \$5 for an automobile from Missoula to Polson, Mont. Mr. Lynn, do you know whether Polson, Mont., is the home of the Densmores?

Mr. LYNN. I heard it was.

Mr. BLANTON. Do you know that? You have been informed it was?

Mr. LYNN. I have heard that.

Mr. BLANTON. That is was the home of the Densmores?

Mr. LYNN. Yes.

Mr. BLANTON. And that is \$5 for an automobile that she used from Missoula to Polson? Now, you were requested to bring voucher—request for transportation No. L-517736, and you were also requested to bring Pullman tickets or coupons attached thereto numbered office Form 2357, Form 2, 5071; and also office No. 2357, Form 2, 5072; and also office No. 2357, Form 2, 5072; and also office No. 2357, Form 2, 5073. That is the Pullman coupons attached to this request for transportation No. L-517736. Did you bring that?

Mr. LYNN. I have.

Mr. BLANTON. Now, Mr. Lynn, do you remember the time that I called your attention to the fact that I would like to have you make copies of these numbers of these Pullman tickets pinned to this business?

Mr. LYNN. Yes.

Mr. BLANTON. Now, look at those numbers; are they the numbers of the Pullman tickets that were attached to that?

Mr. LYNN. Yes, sir.

Mr. BLANTON. State whether or not there were three such Pullman tickets?

Mr. LYNN. I had them going through my hands. I remember them going through my hands.

Mr. BLANTON. Up to what time—about what time did you know that they were in the office attached to this transportation, about how long ago?

Mr. LYNN. Two and a half weeks ago—somewhere around there.

Senator KENYON. What do you claim about the Pullman tickets, Mr. Blanton?

Mr. BLANTON. In the Congressional Record Mr. Densmore has told us—in the Congressional Record he has placed a statement in it that his sister on July 4 got this transportation, and it is in the Record, from New York to Atlantic City, on July 4, and he admits that two people did go with her from New York to Atlantic City on that trip, but he claims that they paid for their Pullman tickets out of their pockets, and she paid hers, and they were not charged to the Government. That was put in the Record on Tuesday, the 24th.

The CHAIRMAN. What page is that of the Congressional Record?

Mr. BLANTON. That is on page—this is from Mr. Densmore, himself—it is on page 1799, of Tuesday's Record.

The CHAIRMAN. Tuesday, June what?

Mr. BLANTON. Tuesday, June 24, 1919, page 1799. Mr. Densmore makes this statement himself. He says:

The records of this office show that Miss Densmore left New York City on July 4, 1918, at 3.30 p. m., and arrived at Atlantic City at 6.30 p. m., of that date; that she remained in Atlantic City for two days, July 5 and 6, and left there on July 7, at 9.15 a. m. for New York City, arriving at the latter place at 12.15 p. m. The record further discloses that in proceeding from New York to Atlantic City Miss Densmore used Government transportation, request No. L-517736, the amount of which was \$1.25, and that in returning she used Government transportation, request L-51737, the amount of which was likewise \$1.25, these items representing single fares between the points indicated. She paid cash fare for a seat in a Pullman car, amounting to 98 cents each way. The total charge against the Government for the entire trip was \$13.46. Two girls did accompany Miss Densmore from New York to Atlantic City, but they did not travel on Government transportation, nor did they present any claims to the Government for reimbursement of traveling expenses.

Now, Mr. Lynn, when I requested you the other day to bring this transportation voucher, together with those three Pullman tickets that were pinned to it, what did you find?

Mr. LYNN. I found them just as they are, without any check on them.

Mr. BLANTON. Let us see that; do you see where the tickets were pinned to it?

Mr. LYNN. Yes, sir.

Mr. BLANTON. The pin pricks are still in it where the tickets had been attached?

Mr. LYNN. Yes.

Mr. BLANTON. Do you know what became of them?

Mr. LYNN. I was advised on good authority that they were around there looking for this transportation request.

Mr. BLANTON. You were advised by good authority that they were around there looking for this transportation request?

Mr. LYNN. Yes; and so they must have taken the tickets off, I presume.

Mr. CASEY. You say you were advised by good authority. What do you mean by good authority?

Mr. LYNN. By the authority of the persons in the office there.

Mr. CASEY. Who were they?

Mr. LYNN. Mr. Page, of the transportation section.

Mr. CASEY. By anybody else?

Mr. LYNN. No; I do not recall anybody else.

Mr. BLANTON. Do you say that Mr. Page was good authority?

Mr. LYNN. I presumed he was.

Senator KENYON. Does that transportation cover these two ladies who accompanied her?

Mr. BLANTON. I will say to the Senator that I personally saw these three Pullman stubs, and saw these numbers, and had these numbers copied. They were attached to this particular transportation with a pin.

Senator KENYON. That is the Pullman tickets or receipts covering all three of them.

Mr. BLANTON. There were three different ones. And I will say to the committee that railroad transportation covered all three by reason of the amount of \$13.46 that was collected from the Government. Taking Mr. Densmore's own statement, the fare to Atlantic City from New York was \$1.25; she paid 98 cents for three Pullman tickets; three tickets from New York to Atlantic City is \$3.75, and three Pullman tickets from New York to Atlantic City, at 98 cents, is \$2.94. Now, there was only one Pullman ticket and one transportation back from Atlantic City, and one ticket to New York is \$1.25 and one Pullman is 98 cents, a total of \$8.92, and she collected \$13.46, and left her \$4.56 over and above the railroad and Pullman tickets, because she collected \$13.46.

Senator KENYON. Was this an official trip of some kind?

Mr. BLANTON. He puts in the record a statement from Lewis T. Bryant, Trenton, N. J., addressed to Mrs. Margaretta Neale, United States Employment Service, Washington, D. C., and says:

I wish to advise you that I recall having had a conference with Miss Densmore regarding cooperative service for hotel help between New York and Atlantic City soon after the Atlantic City office was opened. The office opened about the 15th of June, 1918, and was in operation during the 3d, 4th, and 5th of July. It was open during practically all of the 4th of July on account of work which had to be performed.

Now, I will say, acting on that, I sent this telegram at 8 o'clock yesterday morning to Mr. Bryant:

WASHINGTON, D. C., June 25, 1919.

HON. LEWIS T. BRYANT,

Federal Director of Employment, Trenton, N. J.

I have given some investigation of your statement of June 17, addressed to Mrs. Margaretta Neale, at employment bureau here. By your statement do

you mean that you had a conference at Atlantic City on July 4 last with Miss Jeanette Densmore? Did you have a conference with Miss Densmore at Atlantic City on either the 4th, 5th, 6th, or 7th days of July, 1918? If so, kindly advise on which date, exactly where such conference occurred, its duration, and names of persons present. Did the conference you mentioned to Mrs. Neale occur at Trenton, and on what date? Wire answer immediately, as I am to-day conducting investigation before joint House and Senate committees.

And up to this good hour I have never received any reply from Mr. Bryant.

Senator KENYON. He may be out of town.

Mr. BLANTON. He may be out of town; I don't know; I simply state that I have never received any reply to it.

The CHAIRMAN. Is that the original telegram that you sent? Was that signed?

Mr. BLANTON. It is not signed in here, but I did sign it. This is a copy of the original.

The CHAIRMAN. And was that sent officially to him?

Mr. BLANTON. Yes; I sent it officially because I was conducting an official investigation. Now, gentlemen, I signed it "Thomas L. Blanton, Congressman," and I showed in the telegram itself that I was conducting an investigation before the joint committee of the Senate and House of Representatives, and I thought it would call for an answer from an official of this Government.

Now, gentlemen, in view of Mr. Densmore's statement in the Record here, on page 1799, in order to show this committee that in framing this Nolan bill and Kenyon bill, which if properly framed I will heartily support—if it is properly framed I expect to be one of its strongest supporters on the floor of the House; that is, if it has proper regulations and restrictions, I should say—

The CHAIRMAN. Though if it is the policy of the committee to appropriate money for the purpose of establishing the bureau, you are for it?

Mr. BLANTON. I am for a proper bureau.

The CHAIRMAN. And this proof that you are putting in here—

Mr. BLANTON. Is for the restrictions and limitations that I would like to have placed in the bill.

The CHAIRMAN. It is for the restrictions that you would like to have placed in the bill—

Mr. BLANTON. And in conjunction with the testimony of Mr. Le Prohon yesterday, who said that if he was named as the director general that he could name the president.

The CHAIRMAN. Do you want him for director general.

Mr. BLANTON. No.

The CHAIRMAN. Is there any understanding between you and him about having him named as such?

Mr. BLANTON. Oh, no; Mr. Le Prohon, I take it, is not after it, and I should think that you would need a better educated man than Mr. Le Prohon seems to be, for director general.

The CHAIRMAN. Well, we thought that he was a pretty bright man, and we thought that he was a mighty good politician.

Mr. BLANTON. Well, but he used some expressions that some of the people are not used to.

Mr. CASEY. Mr. Blanton, did you really and seriously pay any attention to the statement he made to the effect that he could elect a President in two years?

Mr. BLANTON. Yes, sir. I never was struck so forcibly by anything in my life as I was by that young fellow. His statement demonstrated the power, political and otherwise, that would be reposed in such a bureau.

Mr. CASEY. And did that strike you that notwithstanding that fact, the Democrats lost both the House and the Senate under the present director general?

Mr. BLANTON. Well, I am not discussing politics now.

Now, I want to call attention to a statement which Mr. Densmore made in this Record, on page 1799, and here he has seen fit to make this statement. He says:

During the year 1917, as solicitor for the department, I was sent by the Secretary of Labor to San Francisco to make an investigation of alleged graft and corruption in the Chinese Immigration Service, in connection with the fraudulent admission of Chinese laborers in this country—

Mr. NOLAN. Mr. Chairman, I do not see that that has anything to do with this in the least.

Mr. BLANTON (continuing):

I had a few trained investigators of the Government service with me, and at the conclusion of the investigation—

Mr. NOLAN. Mr. Chairman, I do not see why we should go into this. I do not see how it has anything to do with this.

Mr. BLANTON (continuing):

It was during the time these inspectors remained in San Francisco that they discovered an opportunity to present further evidence to the Secretary of Labor on the subject of the fairness of the trial of Thomas J. Mooney by the State's attorney for San Francisco, which subject had been gone into by the commission appointed by the President, of which the Secretary of Labor was chairman. They were authorized to do so in connection with their other work.

In the meantime, when I returned to Washington, in November, 1917, I was, as before mentioned, asked to take charge of the establishment and direction of the United States Employment Service, and I resigned as solicitor to do so. This new work engaged all my time, and it was not until the middle of October, 1918, that I found myself able to leave this work even for a few days to go to San Francisco and assist the district attorney in the prosecution of the cases. I was then director general of the United States Employment Service, but I went to San Francisco at that time solely for the purpose of assisting in the Government's prosecution of the people indicted as a result of my investigation as solicitor, and not at all for the purposes, as universally charged, "to investigate the Mooney case."

Now, you see he says he did not go there for the purpose of investigating the Mooney case. He says that the investigation was practically finished when he arrived in San Francisco in August. Unfortunately, his report fell into the hands of a newspaper reporter and it was published.

Mr. CASEY. Does he use the words "his report"?

Mr. BLANTON. It is signed by him.

Mr. CASEY. Is that the language that he uses, "his report"?

Mr. BLANTON. He says:

The investigation was practically finished when I arrived in San Francisco last October to assist the United States attorney in the trials, and the report of the investigators was transmitted by me to the Secretary of Labor, and it was signed by him. He said that he had no connection whatever and did not go out there on the Mooney case. Now, Mr. Chairman and members of the committee, here is a report directed to the department and printed in the San Francisco Call, reprinted from a late edition of the San Francisco Call, dated "San Francisco, Calif., November 1, 1918."

I will read portions of that:

SAN FRANCISCO, CALIF., November 1, 1918.

Hon. W. B. WILSON,
Secretary of Labor, Washington, D. C.

SIR: Pursuant to instructions received from time to time during the past six months, I have the honor to report that I have conducted a secret and altogether informal inquiry into the Mooney case, and beg leave to submit herewith the results of my investigation.

I am skipping around in this, Mr. Chairman, omitting a lot of it.

The case of the people of the State of California against Thomas J. Mooney and certain other defendants, four in number, charged with perpetrating a bomb outrage in the city of San Francisco during the preparedness day parade on July 22, 1916, thereby causing the deaths of 9 or 10 persons and the injury of numerous others. Of the five defendants four have been tried, two of these, Mooney and Warren K. Billings, were found guilty.

Further on he says:

I had at this time two trusted assistants in San Francisco, and to these I confided my plan of operations. It was absolutely necessary to the success of the operation to install a dictaphone in the office of the district attorney, Mr. Charles M. Flickert. This task was a seemingly impossible one, owing to the fact that Flickert keeps himself barricaded behind double-locked doors on the fourth floor of the hall of justice, in a private office, to which only one other man has the keys. The full details as to how this dictaphone was finally installed will probably never be divulged, and no good purpose could be served by a recital of the facts, interesting as they are. Some idea of the difficulties involved will be gained when it is stated that more than two months of careful and clever work were required before the installation was complete and the machine in actual operation.

MR. NOLAN. Mr. Chairman, it seems to me that there must be some limit to this thing; I mean that we might as well have an understanding right here as at any time. Is Representative Blanton going to be allowed to go ahead with all this matter, and go into the Mooney case? I object to it.

MR. BLANTON. That is as far as I desire to go. And I want to show, gentlemen, in that connection, that yesterday morning I called two of those witnesses out here to the door, one of whom I had never met before, and I was trying to find out what they knew. One of those parties called my attention to the fact that one of the Employment Service men was standing with his back to me, within 10 feet of me, and his name was O'Leary. He was standing there, and I went up to him and I said, "Is your name O'Leary?" and he said "Yes." I said to him "Are you from the Employment Service?" He didn't want to answer at first, and he said "Yes, I am." And then I says to him "If you ever attempt to eavesdrop me again," I told him what would happen to him, and I sent him on his way.

THE CHAIRMAN. I see; and do you want a restriction put in this bill to the effect that there shall be no eavesdropping?

MR. BLANTON. I want restrictions so that witnesses on the part of this Government, and when they know that anything is wrong, and they go and tell a Congressman or the Senators, that they shall not be maligned by the director general of the department, as was one of these witnesses here.

THE CHAIRMAN. Were you divulging anything that you did not want anybody to know anything about?

MR. BLANTON. No, sir; of course I was not; but if a man attempts to eavesdrop in a conversation that I am having privately, by reason

of being a Member of Congress, or as a private citizen, why, I will be heard from.

The CHAIRMAN. Well, you have read from a newspaper there that Mr. Densmore divulged a report to the world. It was in the newspaper and everybody has known about that. How long is that?

Mr. BLANTON. I just want that one paragraph to go in.

The CHAIRMAN. Just let me have the newspaper and look it over, inasmuch as you want to put it in.

Mr. BLANTON. But, pardon me, Mr. Chairman, this newspaper belongs to a Member of Congress; one that he has loaned to me. It is the only one that he can get, he says.

The CHAIRMAN. It belongs to a Member of Congress, you say?

Mr. BLANTON. Yes, sir; one of the gentleman's colleagues.

Mr. HERSEY. Is it a published newspaper?

Mr. BLANTON. It is the San Francisco Call.

Mr. HERSEY. And it is being published right along?

Mr. BLANTON. And the gentleman, who is a colleague of the gentleman from Maine, told me that he could not get another copy. It was Mr. Wood, of Indiana.

The CHAIRMAN. Then you think you have not any authority to file it with the committee?

Mr. BLANTON. I would not have any authority, and I just merely called attention to this to show that in the Congressional Record. Mr. Densmore, concerning one of the witnesses I have here, states that he is a disgruntled employee of his department.

Mr. NOLAN. We have the witnesses here before us. Well, let us proceed with the examination of the witness before us.

Mr. BLANTON. Mr. Lynn—Miss Jeanette B. Densmore's voucher—what did you do with that; the little one?

Mr. LYNN. It is right there.

Mr. BLANTON. You were requested by me to bring here a request for transportation No. L517737, and requested to bring attached thereto a Pullman coupon issued at Atlantic City, N. J., July 7, 1918, from Atlantic City to New York, that is No. 2304, Form 43, No. 6206.

Mr. LYNN. Yes.

Mr. BLANTON. Why did you not bring the Pullman coupons as you were requested?

Mr. LYNN. Do you mean the tickets?

Mr. BLANTON. Yes; the Pullman.

Mr. LYNN. It was not attached.

Mr. BLANTON. But up to how long ago was it attached?

Mr. LYNN. About the same time as the others.

Mr. BLANTON. And you saw them all?

Mr. LYNN. The three tickets.

Mr. BLANTON. And there was one on this, back from Atlantic City to New York?

Mr. LYNN. Yes.

Mr. BLANTON. Do you know what became of that Pullman coupon, that check?

Mr. LYNN. It must have been taken with the rest of them.

Mr. BLANTON. It was not there yesterday morning when you looked for it?

Mr. LYNN. No.

Mr. BLANTON. And you could not find it in the files at all?

Mr. LYNN. No; I could not.

The CHAIRMAN. You will have those in the record?

Mr. BLANTON. Well, I have those in the record.

Mr. NOLAN. They are here by no authority of the department.

Mr. BLANTON. I am going to ask the committee to hold the documents as part of the record of this case. This committee has the authority to do it.

The CHAIRMAN. We are going to publish the hearings for the benefit of the Members of Congress, and it would be very useful to have them printed in the record.

Mr. BLANTON. Yes; and then returned to the department.

The CHAIRMAN. Yes.

Mr. BLANTON. I want to put them in the record, and this committee has authority to hold them until they are printed.

The CHAIRMAN. Go ahead.

Mr. BLANTON. Mr. Lynn, you were asked to bring traveling vouchers—will you let me have the letter I sent you? You were asked to bring and to look up and be prepared to tell what you know concerning voucher for \$300 collected by Mr. Harry Parks, personnel section, official station, Washington, for trips he took away.

Mr. LYNN. He was in the personnel section, Mr. Harry Parks, in the personnel section, and he took trips aggregating around \$300.

Mr. BLANTON. And where was his official station?

Mr. LYNN. It was given as Washington.

Senator KENYON. Who was it that did that?

Mr. LYNN. Mr. Harry S. Parks.

Senator KENYON. Who is he?

Mr. LYNN. I do not know. He was down here in service not long ago. I did not think that it was necessary for him, not being officially stationed down there, to take trips. I think they could be covered in other ways, especially when they are short of money—could be covered by correspondence or by the agent in the field.

Mr. CASEY. Do you have anything to do with the control of this man Parks?

Mr. LYNN. No.

Mr. CASEY. Then you do not know whether it was necessary for him to make the trips or not, do you?

Mr. LYNN. No; but that is my information. That is my opinion. I do not think it is necessary. I do not think he knows much about employment matters.

Mr. CASEY. Do you?

Mr. LYNN. Well, I have been in it quite a long while.

Mr. CASEY. And do you consider yourself an expert?

Mr. LYNN. No; I know a little about it. I have been classed as that, and they don't know anything about it.

Mr. BLANTON. Mr. Densmore in the Congressional Record stated that the department had spent \$4,000 in sending three men to France?

Mr. LYNN. I do not know anything about that at all.

Mr. BLANTON. You do not know about that?

Mr. LYNN. No, sir.

Mr. BLANTON. Did you investigate voucher 20479 for \$13.75 to Lillian Haberkost, collected by her, to Akron, Ohio, December 17, 1918?

Mr. LYNN. I did.

Mr. BLANTON. Do you know whether Akron, Ohio, is Miss Haberkost's home?

Mr. LYNN. It is.

Mr. BLANTON. It is her home?

Mr. LYNN. Yes. She went home near Christmas time, about December 12, and there was a report around there that she went on a vacation.

Mr. BLANTON. Who collected this \$13.75?

Mr. LYNN. On the voucher it says this: "In the interest of the Employment Service," and that will cover an awful lot of ground. She had been in the Employment Service about two months.

Mr. BLANTON. On this \$742 voucher of Miss Densmore, is any letter of authority attached to that voucher?

Mr. LYNN. No; there is not. No mention on it about official business.

Mr. BLANTON. No mention on it about official business and no letter of authority?

Mr. LYNN. No, sir.

Mr. BLANTON. Now, did you investigate voucher No. 27137 to Lillian Haberkost of March 6, for \$13.75, when she went to her home at Akron?

Mr. LYNN. Yes, sir; where she went to her home in Akron.

Mr. BLANTON. At Akron, Ohio?

Mr. LYNN. Yes, sir.

Mr. BLANTON. She went home again?

Mr. LYNN. Yes, sir.

Mr. BLANTON. And she did collect those sums on those vouchers?

Mr. LYNN. Yes; and \$4 per diem.

Mr. BLANTON. But that is not shown in the voucher?

Mr. LYNN. And the same with Harry Parks; he got \$4 per diem.

Mr. BLANTON. And what salary did Mr. Parks get when he quit the service?

Mr. LYNN. The last information that I received about it was \$3,000 or \$3,500; it was in between there.

Mr. BLANTON. Do you know what salary Harry Parks got before he went into this Employment Service?

Mr. LYNN. No; I do not; but last November ex-Congressman Reilly became interested in my behalf, and last November they had a retrenchment committee meeting in one room, and they made about 20 promotions in another room at the same time. I saw all of them on the desk, and some of them were \$500 and \$1,000 raises.

Mr. BLANTON. In that connection, since Congress adjourned on March 4 and refused the appropriation of \$10,000,000 requested by the department—since March 4 have any increases been granted down there?

Mr. LYNN. I should say there have.

Mr. BLANTON. Was Mr. Graham—do you know him?

Mr. LYNN. Yes, sir.

Mr. BLANTON. And was his salary increased?

Mr. LYNN. I heard that it was increased a thousand dollars.

Mr. BLANTON. A thousand dollars?

Mr. LYNN. Yes.

Mr. BLANTON. Do you know what increase was granted Mr. Kinsell?

Senator KENYON. Who is Mr. Graham?

Mr. LYNN. I think he is of the Division of Information.

Mr. BLANTON. Is Mr. Graham an efficient man?

Mr. MACCRATE. Oh, I don't think that is right.

Mr. LYNN. I could not tell, because I never had anything to do with him. I was approached, and it was said that it was necessary to reduce me on account of lack of appropriations. That just shows the unreliability of it, and the sneaking of it. With some other sections they promote the same as they did last November.

Mr. MACCRATE. You never have any animus against anybody down there, have you, Mr. Lynn?

Mr. LYNN. No; and I am not opposed to the idea of an Employment Service, but I am opposed to the way this has been run.

The CHAIRMAN. Are you in favor of a free Federal Employment Service?

Mr. LYNN. Yes, sir; that is, if it is run right. But when they discharge, as they did about three months ago——

The CHAIRMAN (interrupting). You want to go on record as being in favor of a free Federal Employment Bureau?

Mr. LYNN. I am in favor of an employment service properly run. About three months ago, when all of a sudden they came in in three divisions, they said, "You had better all go on and get a job," and the girls were there, and some of them were crying, and Mr. Ryan, whose wife died almost at that time, and he had two small children, I was standing in the room there and he got a phone message that a child had died, and the next day he got a letter firing him.

The CHAIRMAN. Then this was not run the way——

Mr. LYNN (interrupting). This was not run with any kind of a heart at all. They ought to have some sympathetic, kind-hearted man at the head. A girl told me that she was afraid to dress——

The CHAIRMAN. But you have fixed ideas as to how to run the thing, and it is not run according to them?

Mr. LYNN. No.

Mr. MACCRATE. And was all this after the appropriation had been reduced by the last Congress?

Mr. LYNN. Yes, sir.

Mr. BLANTON. And how many, about—do you know about Mr. Mason's salary being raised from \$3,000 to \$3,500?

Mr. LYNN. Yes, sir; I heard that.

Senator KENYON. Who is he?

Mr. LYNN. The director of control at present.

Senator KENYON. When was he raised?

Mr. LYNN. I should judge—it was in between there—there is so much stuff going on there——

Mr. MACCRATE (interrupting). Do you know that Mr. Densmore was reduced a thousand dollars since last March?

Mr. LYNN. I think that he was reduced a thousand dollars since last March, but a reduction of a thousand dollars from a salary of five or six thousand dollars does not amount to much.

Mr. MACCRATE. Well, I asked you if you knew. You weren't asked what it amounted to. You were asked if you knew.

Mr. BLANTON. Did you look up a voucher for \$15.10 given to Mr. S. Tyson Kinsell?

Mr. LYNN. I was—I did—and I was under his supervision. They supplanted me by him, and I had to stay there for four or five days and show him how to do the work.

Mr. BLANTON. Did he know anything about the work?

Mr. LYNN. No; he did not.

Mr. BLANTON. And you had to show him?

Mr. LYNN. Yes; I had to show him, and then I was left in the lurch, just sit around.

Mr. BLANTON. Was Philadelphia his home?

Mr. LYNN. Philadelphia was his home.

Senator KENYON. Who was he?

Mr. LYNN. He was put in charge of correspondence. He is a labor man. He is traveling around for the Metropolitan Employees' Union, with Luther C. Stewart, the most unreliable people I have ever met in my life.

Senator KENYON. Was Luther C. Stewart a union man?

Mr. LYNN. Yes.

Mr. BLANTON. How about Mr. Graham?

Mr. LYNN. I think he is too.

Mr. BLANTON. Do you know whether or not he has been employed by the union before he went into this work?

Mr. LYNN. I think he was in it. I do know that very few people get anything down there politically in the Department of Labor, and Ex-Congressmen Reilly had the same opinion.

Senator KENYON. You say that you could not get anything politically?

Mr. LYNN. No; they would answer that they were interested in the matter and would look into it and then drop it.

Senator KENYON. And do you not think that that is an argument in its favor?

Mr. LYNN. It is not——

Senator KENYON. Do you not think that it is an argument in its favor when one can not get in with a pull?

Mr. LYNN. It is not a pull. There comes a time when efficiency does not count, and there is injustice and you can not have a presentation of your side of the case, although you are entitled to that, and I saw Luther C. Stewart do so both right and left.

Mr. MACCRATE. At what salary were you started there, Mr. Lynn?

Mr. LYNN. I was transferred to the division of information at \$1,400 a year and I went up to \$1,800 a year.

Mr. MACCRATE. When did you get your last raise?

Mr. LYNN. I got my last raise about a year ago to \$2,100.

Mr. MACCRATE. And you were promoted to \$2,100. You are getting \$2,100?

Mr. LYNN. No; I was reduced after that.

Mr. MACCRATE. You were promoted and reduced after that?

Mr. LYNN. Yes.

Mr. MACCRATE. Because the appropriation failed?

Mr. LYNN. Well, so they said.

Senator KENYON. Which Congressman Reilly was that?

Mr. LYNN. From Connecticut. People are put over you at \$3,000 a year, and down to the Civil Service Commission the reason they are giving is, that they could not get properly qualified persons through the Civil Service Commission, and they have a different opinion down there. The purpose of it is to get big salaries. Look at the salaries. Take some of them. Look at the salary books. Some of them are getting as much as \$3,500.

Mr. MACCRATE. And do you think that you are better qualified than the men who are getting \$3,500 or \$3,000?

Mr. LYNN. Yes, sir; I have been in employment work, and I was there through the heavy war work, and they put them in there after the armistice was declared.

Mr. MACCRATE. You knew nothing about the work when you went in there?

Mr. LYNN. I came there from the Immigration Service.

Mr. MACCRATE. You came from the Immigration Service?

Mr. LYNN. Yes; in the employment division before it went from the Mills Building to 1410. I had been there two years.

Senator KENYON. I understood you to say that the politicians had no pull there; that they had no pull there at all.

Mr. LYNN. They were not able to have any hearing. They would just get a little letter saying that it would be looked into.

Senator KENYON. And were politicians put into the jobs that you speak of?

Mr. LYNN. Politicians?

Senator KENYON. Yes.

Mr. LYNN. I think in some cases, but I think in other cases they were laboring people.

Senator KENYON. Were any ex-Members of Congress put in any jobs there?

Mr. LYNN. I do not know of any.

Mr. BLANTON. Suppose a man was a strong labor-union man; would he have any trouble in getting work there?

Mr. LYNN. They seem to get the work all right.

Mr. BLANTON. So that you distinguish a labor-union man from a politician?

Mr. LYNN. Yes, sir.

Mr. MACCRATE. Do you know how many men in the department in an official capacity are union-labor men, as compared with the men who are not union-labor men?

Mr. LYNN. No, sir.

Mr. MACCRATE. We had a statement that there were 73 nonlabor men and 46 union-labor men employed there in an official capacity. Do you know whether or not that is true?

Mr. LYNN. No; I do not.

Senator KENYON. You spoke of the salaries there. Do you think that the salaries that they paid there were exorbitant?

Mr. LYNN. I certainly do.

Mr. CASEY. Was the \$2,100 paid to you exorbitant?

Mr. LYNN. No; not in comparison with the others—

Senator KENYON (interrupting). What high salaries do you think were exorbitant that were paid there?

Mr. LYNN. Well, \$4,000.

Senator KENYON. How many salaries were paid—how many \$4,000 salaries were paid?

Mr. LYNN. Well, I could not tell you; I would have to take and get the book.

Senator KENYON. Can't you give us any idea of how many?

Mr. LYNN. Oh, quite a number.

Senator KENYON. Do you think that there were 50 or 100, or about how many?

Mr. LYNN. Well, I could not just say how many, but somewhere between 30 and 50.

Senator KENYON. Getting \$4,000 a year? And how many were getting \$3,500 a year? Have you any knowledge of that?

Mr. LYNN. I could not tell.

Senator KENYON. Do you know of—

Mr. BLANTON. There is a lady there by the name of Miss Boyd, do you know her?

Mr. LYNN. Yes, sir.

Mr. BLANTON. And do you know of Miss Boyd's salary being raised since March 4?

Mr. LYNN. I do.

Mr. BLANTON. I have no further questions.

Mr. NOLAN. You spoke of some Congressmen interested in your behalf. Did you have anybody besides Mr. Reilly?

Mr. LYNN. I had Senator McLean, of Connecticut. He wrote to them and he never got any response.

Mr. NOLAN. Was there anybody else?

Mr. LYNN. Yes; there was Congressman Lonergan, of Connecticut. he wrote to them for me, and they said that the matter would be looked into. He could not even approach the head of the service.

Mr. NOLAN. Anybody else?

Mr. LYNN. Congressman Stephens, of Nebraska, phoned them and they told him the same thing.

Mr. NOLAN. Were there any other Congressmen or Senators—

Mr. LYNN (interrupting). That is all, I think.

Mr. NOLAN. What did they ask for you? Or what did you ask for?

Mr. LYNN. That I just be transferred out of Mr. Kinsell's section into another one.

Mr. NOLAN. You asked just for a transfer?

Mr. LYNN. Yes; I just asked for a transfer out of Mr. Kinsell's section.

Mr. CASEY. Who asked for that; who asked for it?

Mr. LYNN. I did on account of the injustice of it. It was so rank.

Mr. NOLAN. You testified that a lady made two trips to Akron, Ohio. Do you know anything about the business that took her there?

Mr. LYNN. No; I think that the business could have been covered by some other way, by some one out there or by correspondence.

Mr. NOLAN. That is your opinion, is it?

Mr. LYNN. Yes.

Mr. NOLAN. And you have no knowledge as to whether or not she went out there on official business?

Mr. LYNN. Well, it is put on the voucher, "In the interest of the Employment Service." I suppose that is classed as official.

Mr. NOLAN. What is your position down there now?

Mr. LYNN. Typewriter.

Mr. NOLAN. Your position now, I mean?

Mr. LYNN. Typewriter.

Mr. NOLAN. And have you got access to the records, or have you charge of them that you brought up with you?

Mr. LYNN. No.

Mr. NOLAN. You have not?

Mr. LYNN. No.

Mr. NOLAN. And what is the rule in the Employment Service about taking records out without permission?

Mr. LYNN. Well, I think that this letter was enough.

Mr. NOLAN. And did you take this letter up with your superior officer?

Mr. LYNN. No.

Mr. NOLAN. You brought them here on the strength of that letter—

Mr. LYNN (interrupting). Yes, sir.

Mr. NOLAN. And you considered a letter from a Member of Congress enough, did you?

Mr. LYNN. Yes, sir.

Mr. NOLAN. Without any notification to your chief?

Mr. LYNN. Yes.

Mr. NOLAN. Did you ever tell any of them about it after you took the records?

Mr. LYNN. No; I did not have time to do that and to get it here.

Mr. NOLAN. What time did you get that letter?

Mr. LYNN. I think it was near 9 o'clock.

Mr. NOLAN. Near 9 o'clock in the morning?

Mr. LYNN. Yes.

Mr. NOLAN. Were there none of your superiors in the office when you went to get those records?

Mr. LYNN. No.

Mr. NOLAN. None at all?

Mr. LYNN. No.

Mr. NOLAN. What time do they get there?

Mr. LYNN. Nine o'clock.

Mr. NOLAN. And you did not consider it advisable to inform your superior officers that you were extracting from the records of the Department of Labor public records to take before a committee on the authority of a letter from a Member of Congress?

Mr. LYNN. No; there is a lot of them kicking—

Mr. NOLAN (interrupting). Were you at the Department of Labor yesterday morning in the Employment Service?

Mr. LYNN. Yes; I went down there.

Mr. NOLAN. You were there yesterday morning at 9 o'clock?

Mr. LYNN. Yes, sir.

Mr. NOLAN. And you took the records yesterday morning?

Mr. LYNN. Yes.

Mr. NOLAN. Did you have any of those records in your possession prior to yesterday morning?

Mr. LYNN. No.

Mr. MACCRATE. Prior to yesterday morning, Mr. Lynn, did you know what records Mr. Blanton wanted?

Mr. LYNN. No.

Mr. MACCRATE. And the first intimation that you had or the first thing you knew about it was the letter that you received from him that he wanted these records?

Mr. LYNN. Yes.

Mr. MACCRATE. You never told Mr. Blanton about certain records being in the department?

Mr. LYNN. No.

Mr. MACCRATE. And you do not know where Mr. Blanton got his information about these cards and Pullman tickets?

Mr. LYNN. That is his matter; I do not know.

Mr. MACCRATE. Did you ever have any communication with him before yesterday morning as to these records?

Mr. LYNN. I have known him.

Mr. MACCRATE. I did not ask you that. I asked you if you had any communication with him as to these records before yesterday morning?

Mr. LYNN. No.

Mr. MACCRATE. Did you ever hear that it was a criminal offense to remove public records—

Mr. LYNN (interrupting). Not with a letter of authority. I consider it is all right.

Mr. MACCRATE. And you had never spoken to Mr. Blanton before yesterday morning about these Pullman tickets?

Mr. LYNN. No.

Mr. MACCRATE. And you are positive of that?

Mr. LYNN. Yes.

Mr. MACCRATE. And you had never spoken to him about these card records of any of the employees of the department or that bureau before yesterday morning?

Mr. LYNN. Well, I say I had a little conversation with him, but it did not amount to anything.

Mr. MACCRATE. When was that conversation?

Mr. LYNN. About two or three days ago.

Mr. MACCRATE. Did you mention then anything about any records in the Labor Employment Service?

Mr. LYNN. Why I—about this—when I come to think of it, about the transportation requests that passed through my hands; that is all.

Mr. MACCRATE. Was not Mr. Blanton at the department a few days before that?

Mr. LYNN. In the—

Mr. MACCRATE. Was not Mr. Blanton at the department a few days before that?

Mr. LYNN. I did not see him, I met him on the street.

Mr. BLANTON. On the occasion—you may not have understood the gentleman—by stating that you did not have any conversations with me, you did not mean that you did not answer questions that I asked you on various occasions?

Mr. LYNN. No.

Mr. BLANTON. I did ask you questions on numerous occasions and you answered them.

Mr. LYNN. I thought he alluded to this other.

Mr. BLANTON. And you did mean that when you said that you had not told me so and so?

Mr. LYNN. No.

Mr. BLANTON. But you meant that you did not bring me the information voluntarily?

Mr. LYNN. Yes.

Mr. BLANTON. I had asked you numerous questions on various occasions?

Mr. LYNN. Yes.

Mr. MACCRATE. You gave him the information?

Mr. LYNN. Yes, sir.

Mr. MACCRATE. And the information contained in that letter that you received yesterday morning, was that ever talked over with you and Mr. Blanton?

Mr. LYNN. We had—

Mr. MACCRATE. Did you talk over with Mr. Blanton the specific items of that letter that he wrote to you?

Mr. LYNN. Well, I said that I saw this thing go through my hands, that is all.

Mr. NOLAN. I suggest that the representatives of the Department of Labor, in view of this testimony, be permitted to cross-examine the witness, if they so desire.

The CHAIRMAN. It seems to me that the orderly way would be for them to hand in any questions that they might wish to ask.

Mr. NOLAN. Well, if it is fair to Mr. Blanton to permit him to question this witness, then it is no more than fair that the representatives of the Department of Labor have an opportunity to cross-examine him.

The CHAIRMAN. I think that the better way would be for them to put on evidence to contradict him, if they can do so.

Mr. NOLAN. I suggest that we leave that to their judgment.

Mr. BLANTON. My position is merely the same as every other member of this committee, a Member of Congress trying to get at fact. Now, this is the last time that I am going to be able to come before the committee—

Mr. NOLAN. But I am asking that they be allowed to cross-examine him at this time.

Mr. BLANTON. Unless I can interrogate the witnesses I have here to-day, it will be my last opportunity to bring out this testimony. Could you not give the department a chance to interrogate these witnesses at some other time.

The CHAIRMAN. My idea in the first place was not to permit you to examine the witnesses. I am opposed to this procedure. But if the committee wants these outsiders to come in and conduct the examination, why I will not object to it personally.

Mr. MACCRATE. Your chief objection to the employment service, as I view your testimony, is the fact that they put over your head men whom you thought were less competent than you were to do that work?

Mr. LYNN. No; I am not kicking about my job at all; but the way that they fire people, and because of their unreliability. They will fire people without any cause, and they will make a statement one day, and the next day it will be just the opposite.

Mr. MACCRATE. Do you know whether it was necessary, because of a lack of appropriation to reduce the force last March?

Mr. LYNN. I do not think it was necessary when they turned around and promoted right away. Retrenchment is for the purpose of saving money, and not for the purpose of making promotions.

STATEMENT OF MR. PATRICK L. COLLINS, OF THE FEDERAL BOARD OF VOCATIONAL EDUCATION.

Mr. BLANTON. You reside at 322 Taylor Street NW., do you, Mr. Collins?

Mr. COLLINS. Yes, sir.

Mr. BLANTON. And you are with the Department of—

Mr. COLLINS. I am with the Federal Board of Vocational Education.

Mr. BLANTON. Did you hold a position with the United States Employment Service?

Mr. COLLINS. Yes, sir.

Mr. BLANTON. What was it?

Mr. COLLINS. I was chief of files division for a while.

Mr. BLANTON. Do you know when Mr. Mason came from his home in Cleveland, Ohio, and entered the department, about when he came?

Mr. COLLINS. Well, it was around April 1, 1918.

Mr. BLANTON. Do you know what salary he drew about that time?

Mr. COLLINS. \$1,890, I guess.

Mr. BLANTON. And do you know of his being raised from \$1,890 on up at various times—

Mr. COLLINS. He was raised July 1 to \$3,000.

Mr. BLANTON. July 1—

Mr. COLLINS. 1918.

Mr. BLANTON. To \$3,000?

Mr. COLLINS. Yes, sir.

Mr. BLANTON. Do you know of his having been raised since March 4, since Congress adjourned last?

Mr. COLLINS. No.

Mr. BLANTON. Do you know of his having been raised from \$3,000 to \$3,500?

Mr. COLLINS. That was last September, I guess.

Mr. BLANTON. But he was raised to \$3,500?

Mr. COLLINS. I am pretty sure that he was.

Mr. BLANTON. Do you know of a raise having been granted to Mr. Graham from \$3,000 to \$4,000?

Mr. COLLINS. I heard of that, but I do not know about it. It is just hearsay.

Mr. BLANTON. You have heard—

Mr. COLLINS (interrupting). I do not know. I heard that. I could not come out and make a statement. It was just hearsay.

Mr. BLANTON. You heard that—

Mr. MACCRATE. I object to that, if the committee please. We do not want hearsay here.

The CHAIRMAN. The judge has promised to keep within the rules of evidence.

Mr. MACCRATE. I object to it.

The CHAIRMAN. Judge Blanton, did you allow hearsay evidence to be introduced when you were a judge?

Mr. BLANTON. Well, sometimes you do, in some instances certain hearsay testimony is produced in arriving at some conclusions.

Mr. CASEY. Is not the official pay roll of the department the best evidence?

Mr. BLANTON. Yes; that is the best evidence after all.

The CHAIRMAN. Proceed.

Mr. BLANTON. Do you know of a conversation that occurred between Mr. Mason and Mr. Smyth with regard to Mr. Mason going to his home in Cleveland, and the reason being that he could go there and inspect furniture.

Mr. COLLINS. No; I did not hear any such conversation.

Mr. BLANTON. You did not hear that conversation?

Mr. COLLINS. No, sir; I did not.

Mr. BLANTON. If any such conversation occurred?

Mr. COLLINS. No, sir.

Mr. BLANTON. Do you know Miss Atwood, in charge of the New York office?

Mr. COLLINS. No, sir.

Mr. BLANTON. Do you know of Mrs. Neale, who, about July 1, was sent to New York to supplant Miss Richards and Miss Atwood? Do you know Mrs. Margueretta Neale?

Mr. COLLINS. I know Mrs. Margueretta Neale.

Mr. BLANTON. State to the committee whether or not she was promoted from a \$1,500 position to a \$3,000 position.

Mr. COLLINS. All at once? I could not make any statement on that. I do not know.

Mr. BLANTON. You are not familiar with her case?

Mr. COLLINS. No, sir.

Mr. BLANTON. Do you know of any details that were made from the home of an employee to some other place for the purpose of drawing \$4 a day?

Mr. COLLINS. No; I do not know of any case being made in that way, except Mr. Stewart's station was in Kansas City, and he drew \$4 because, I presume, it was intended that he would be at his official station later on.

Mr. BLANTON. And, in addition to his salary, he drew \$4 a day?

Mr. COLLINS. I think he did. I did not see any records that he did.

Senator KENYON. What was his salary?

Mr. COLLINS. Three thousand dollars.

Mr. BLANTON. Do you know of his drawing twenty-seven fifty from the employees' union also?

Mr. COLLINS. I do not know what his salary was, but he got a salary.

Senator KENYON. What for?

Mr. COLLINS. He was the president of the federation—the Federal Clerks' Union.

Mr. BLANTON. Did he devote his time between that work and the work of the Government?

Mr. COLLINS. I do not know what time he gave. I could not tell you. I saw that he was acting president in the place of McLaren when he resigned.

Mr. NOLAN. Do you know of your own knowledge that he drew any salary?

Mr. COLLINS. No; but I saw that he was the acting president, and there was a salary to it.

Mr. NOLAN. Do you know that he drew a salary as acting president?

Mr. COLLINS. No; I do not.

STATEMENT OF MR. J. S. BRAND.

The CHAIRMAN. You will state your address.

Mr. BLANTON. State your name and address and——

The CHAIRMAN. And who he represents.

Mr. BLANTON. And whether or not you have ever been employed with the Employment Service.

Mr. BRAND. My address is 1447 Newton Street NW.

Mr. BLANTON. And your name.

Mr. BRAND. J. S. Brand.

Mr. BLANTON. And what position have you held with the Employment Service.

Mr. BRAND. Up to the latter part of May I was executive secretary; that is, I was not executive secretary of the Employment Service, but of a division within the Employment Service.

Mr. BLANTON. Now, Mr. Brand, we are limited for time, and I wish you would tell this committee what you know, if anything, concerning irregularities in that department and matters that came within your notice, and particularly the business methods and anything else concerning the department.

The CHAIRMAN. How long were you employed in the department?

Mr. BRAND. About one year.

The CHAIRMAN. One year?

Mr. BRAND. Yes, sir; in the Department of Labor, in the Employment Service. I was employed in the Department of Labor before that.

Mr. BLANTON. You were employed in the Labor Department before that?

Mr. BRAND. Yes, sir.

Mr. BLANTON. When were you employed in the Labor Department?

Mr. BRAND. I was in the Labor Department since 1907, in the Immigration Service, Conciliation Division, and the Emergency Fleet for eight months.

Mr. BLANTON. So you have been employed in the Labor Department since 1907?

Mr. BRAND. Yes, sir; I have been with the Labor Department since 1907; I was with the Department of Commerce and Labor, as it was then.

Mr. BLANTON. So you have been with the department about 12 years altogether.

Mr. BRAND. Yes, sir.

Mr. BLANTON. Go ahead and tell what you know.

Mr. BRAND. I know very little about irregularities, such as were mentioned here this morning, about vouchers and things of that character.

Mr. BLANTON. If you know anything concerning the putting of men, who in your judgment had been drawing, say, from twelve to fifteen hundred dollars a year, twelve and fifteen hundred dollar a year men, into positions of three and four and five thousand dollars a year, if you know anything of that kind that occurred, we would be very glad to have it.

Mr. BRAND. I say that I know some. I do not know what their salaries have been when they entered, but I know that they got substantial promotions before entering upon the Employment Service.

Mr. BLANTON. State some of them and their qualifications.

Mr. BRAND. Well, with some of them I was not acquainted with at all. I know that they were in there, and there was a number of people in the Employment Service that I did not know at all.

The CHAIRMAN. And you would not undertake to tell about any person that you did not know anything about?

Mr. BRAND. No; but I would say this, that I do not think that some of the salaries in Washington, that there were more than three or four men who had \$4,000 per annum, several at \$3,000 per annum, and probably a half a dozen at \$3,500. I have no record of that.

Mr. MACCRATE. In this service?

Mr. BRAND. Yes, sir.

Mr. BLANTON. Gentlemen, to fix that matter I have the statement of Mr. Densmore made before the committee, showing exactly what the employees did get. This was given by Mr. Densmore to the committee on the sundry civil bill, and it covers 513 employees in Washington.

Mr. HERSEY. What page is that?

Mr. BLANTON. It begins with the director general at \$6,000 a year, and an assistant director general at \$5,000 a year, and an assistant to the director general at \$5,000 a year, two at \$3,500 a year, one special assistant at \$3,500, assistant to the director general, two of them at \$4,000, one at \$3,500; special representatives, five of them at \$3,500, two of them at \$3,500, and three more at \$3,500; one special agent at \$4,000 and another one at \$3,500—I will offer the whole table.

Mr. MACCRATE. Are those estimates or are they salaries actually paid?

Mr. BLANTON. It was salaries paid up to February 1. It did not stay after February 1 of this year. It shows the expenditures asked of the committee. I think that Mr. Cannon asked that this table be put in.

Mr. Brand, you are a stranger to me, I never met you until yesterday evening, and I will not ask you any more questions. You may step aside.

The CHAIRMAN. That table of salaries may be put into the record.

(The table of salaries referred to is here printed in full in the record, as follows:)

United States Employment Service—Salaries, Administrative Office, Feb. 5, 1919.

Title.	Number.	Rate.	Total.
Director general.....	1	\$6,000	\$6,000
Assistant director general.....	1	5,500	5,500
Assistant to director general.....	1	5,000	5,000
Do.....	2	3,500	7,000
Special assistant to director general.....	1	3,500	3,500
Assistant to director general.....	2	4,000	8,000
Do.....	1	3,500	3,500
Special representative.....	5	3,500	17,500
Do.....	2	3,000	6,000
Do.....	3	2,500	7,500
Special agent.....	1	4,000	4,000
Do.....	1	3,650	3,650
Do.....	4	3,500	14,000
Do.....	10	3,000	30,000
Do.....	10	2,500	25,000
Do.....	4	2,400	9,600
Do.....	5	2,250	11,250
Director of division.....	4	4,000	16,000
Assistant director of division.....	1	3,500	3,500
Do.....	1	3,000	3,000
Assistant to director of division.....	1	3,600	3,600
Do.....	2	2,500	5,000
Do.....	1	2,250	2,250
Do.....	1	2,100	2,100
Do.....	1	2,000	2,000
Chief of section.....	1	4,500	4,500
Do.....	1	4,000	4,000
Do.....	1	3,500	3,500
Do.....	5	3,000	15,000
Do.....	2	2,700	5,400
Do.....	2	2,750	5,500
Do.....	3	2,500	7,500
Do.....	1	2,400	2,400
Assistant chief of section.....	2	3,000	6,000
Do.....	1	2,750	2,750
Do.....	1	2,500	2,500
Do.....	1	2,400	2,400
Do.....	1	1,800	1,800
Disbursing agent.....	1	2,750	2,750
Secretary, War Labor Policy Board.....	1	4,500	4,500
Secretary.....	1	3,500	3,500
Do.....	2	3,000	6,000
Do.....	2	2,000	4,000
Do.....	1	1,800	1,800
Do.....	1	1,740	1,740
Do.....	1	1,500	1,500
Do.....	1	1,440	1,440
Clerk, senior.....	1	2,750	2,750
Do.....	1	2,620	2,620
Do.....	8	2,500	20,000
Do.....	1	2,400	2,400
Do.....	4	2,250	9,000
Do.....	1	2,220	2,220
Do.....	5	2,100	10,500
Do.....	5	2,000	10,000
Do.....	2	1,980	3,960
Do.....	10	1,800	18,000
Do.....	16	1,800	28,800
Clerk.....	1	1,740	1,740
Do.....	1	1,728	1,728
Do.....	1	1,720	1,720
Do.....	2	1,680	3,360
Do.....	14	1,620	22,680
Do.....	1	1,600	1,600
Do.....	2	1,500	3,120
Do.....	36	1,500	54,000
Do.....	1	1,440	1,440
Do.....	10	1,400	14,000
Do.....	23	1,380	31,740
Clerk, junior.....	61	1,320	80,520
Do.....	4	1,260	5,040
Do.....	65	1,200	78,000
Clerk, under.....	15	1,100	16,500
Do.....	12	1,080	12,960
Do.....	5	1,020	5,100
Do.....	1	1,000	1,000
Do.....	1	990	990

*United States Employment Service—Salaries, Administrative Office, Feb. 5,
1919—Continued.*

Title.	Number.	Rate.	Total.
Clerk, under.....	1	\$960	\$960
Do.....	4	900	3,600
Do.....	1	780	780
Do.....	1	720	720
Do.....	1	600	600
Do.....	2	600	1,200
Telegrapher.....	2	1,600	3,200
Engineer.....	1	1,440	1,440
Electrician.....	1	1,320	1,320
Fireman.....	3	960	2,880
Messenger.....	2	1,320	2,640
Do.....	2	1,200	2,400
Do.....	1	1,080	1,080
Do.....	1	960	960
Do.....	6	900	5,400
Do.....	2	840	1,680
Do.....	1	780	780
Messenger, junior.....	10	780	7,800
Do.....	7	600	4,200
Do.....	7	480	3,360
Watchman.....	1	1,200	1,200
Do.....	5	900	4,500
Elevator operator.....	2	900	1,800
Do.....	1	720	720
Skilled laborer.....	1	1,320	1,320
Do.....	1	1,140	1,140
Do.....	9	900	8,100
Do.....	1	780	780
Janitress.....	1	840	840
Charwoman.....	8	312	2,496
SPECIALS.			
Adviser on industrial relations.....	1	5,000	5,000
Special examiner.....	1	4,000	4,000
Special camp organizer.....	1	4,000	4,000
National field organizer.....	2	3,000	6,000
Do.....	1	2,400	2,400
Assistant to chairman, War Labor Policy Board.....	1	2,750	2,750
Associate director Boys' Working Reserve.....	1	2,750	2,750
National director Boys' Working Reserve.....	1	2,500	2,500
Assistant to Federal director, in charge of farm labor.....	1	2,100	2,100
National director, Women's Land Army.....	1	2,100	2,100
Assistant Federal State (Public Service Reserve).....	1	1,800	1,800
Director, Negro economics.....	1	4,380	4,380
Assistant director, Negro economics.....	1	1,740	1,740
Supervisor of Negro economics.....	2	1,740	3,480
Total.....	513		861,214

STATEMENT OF MR. C. A. BURROUGHS, AUDITOR FOR SHIPPING BOARD.

MR. BLANTON. What position with this Government do you now hold, Mr. Burroughs?

MR. BURROUGHS. Auditor for the Shipping Board.

MR. BLANTON. Auditor for the Shipping Board?

MR. BURROUGHS. One of the auditors for the Shipping Board.

MR. BLANTON. You are holding that position now—one of the auditors for the Shipping Board?

MR. BURROUGHS. Yes, sir.

MR. BLANTON. Did you ever have a position in the Employment Service?

MR. BURROUGHS. Yes, sir.

MR. BLANTON. Did you retire voluntarily or by request from that department?

MR. BURROUGHS. I resigned.

Mr. BLANTON. Did anyone suggest that you should resign?

Mr. BURROUGHS. No, sir; I was asked to remain.

Mr. BLANTON. Have you got your letter of resignation?

Mr. BURROUGHS. Yes, sir.

Mr. HERSEY. When did you resign?

Mr. BLANTON. He has a copy of his letter of resignation. Give me a copy of it—of your letter of resignation.

Mr. HERSEY. Give me the date.

Mr. BLANTON. May 5, 1919. [Reading:] "Mr. J. B. Densmore, Director General United States Employment Service, Washington, D. C. Dear Sir"—

The CHAIRMAN. Is not that in the Congressional Record?

Mr. BLANTON. Yes; but I would like to get it in here.

The CHAIRMAN. I do not see why you should duplicate it.

Mr. BLANTON. Well, what Mr. Densmore put in the record Tuesday—that he was a disgruntled employee—

The CHAIRMAN. Can't you state what is claimed for the record?

Mr. BLANTON. Yes; it speaks for itself.

Mr. MACCRATE. Here is a man writing a letter which may be true. Let him state his reasons for resigning. Let him state what they were.

The CHAIRMAN. Will you pursue that course?

Mr. BLANTON. Would you let me read it—let the committee pass upon its contents?

Mr. HERSEY. We can read it in the record after it is printed.

The CHAIRMAN. Do you want to make any comment on it, as it appears in the record; we would be glad to hear Mr. Burroughs, if you ask him any questions. We are going to have a very voluminous record, and there won't be a Congressman who will read the record.

Mr. BLANTON. And that is the reason I would like to get it in this record of the hearings.

The CHAIRMAN. They won't read the hearings.

Mr. BLANTON. I will state that this letter will show that this man was not fired.

The CHAIRMAN. He can answer that question—whether he was fired or not.

Mr. BLANTON. Was there any effort made by Mr. Densmore to get you to remain in the service and not resign?

Mr. BURROUGHS. I sent this letter, Mr. Densmore, Mr. Skinner, and Mr. Mason, and Mr. Sullivan about 20 minutes afterwards, or half an hour, came down to the office I was in, looking around, and finally Mr. Skinner made some remarks as to the work. I told him it was in terrible condition. Mr. Densmore said, "Just what procedure is necessary?" I gave him a brief outline, a very brief one, and they then returned to their offices, and on the following day Mr. Densmore sent for me, and Mr. Skinner, Mr. Densmore, and Mr. Smyth were in the office then, and I remained in that office, I guess from half an hour to three-quarters of an hour. Mr. Densmore personally appealed to me to remain and clear up the situation by June 20, if it was possible to do so, as nobody was familiar with the work, saying that he would be responsible for the condition of affairs and he would have to go before Congress and that he would be in a bad predicament. Mr. Smyth asked me if I could not possibly see my

way clear to remain, and Mr. Skinner asked if I did not have self-pride enough to remain. I told him that my self-pride was exhausted. I resigned on May 5, and this conversation took place on the 6th; that is, the following day, and that day I received a notice from Mr. Densmore saying that inasmuch as I had decided not to remain he thought it would be better for me to leave at once, and I would be allowed time until the 15th of May, the time I made my resignation effective.

Mr. BLANTON. Mr. Burroughs, Mr. Densmore put into the Record yesterday—the Congressional Record—the statement that you were a disgruntled employee and that you were furnishing me with evidence. Have you ever furnished me with any facts except when I asked you questions concerning that department and interrogated you? Did you furnish any others?

Mr. BURROUGHS. I will say that I never saw a Congressman, a Representative of Congress of either House, to give any information voluntarily.

Mr. BLANTON. Do you know how I obtained my information concerning that department?

Mr. BURROUGHS. No, sir.

Mr. BLANTON. Mr. Burroughs, in a statement in answer to questions that I propounded, I made a number of questions, and I propounded them to you, and you stated to me that you thought or considered this whole service as rotten.

Mr. BURROUGHS. I certainly did, sir.

Mr. BLANTON. Is that true, or not?

Mr. BURROUGHS. It could easily be determined to be on investigation.

Mr. BLANTON. You stated that it was so rotten that you would not stay with it——

Mr. MACCRATE. I object to this witness giving conclusions. Let him state the fact.

Mr. BLANTON. Tell the committee what condition you found there that made you come to that conclusion.

Mr. BURROUGHS. Principally on this transportation condition. It has not been brought entirely out, the condition of it, the reasons for it, or anything else.

Mr. BLANTON. In your position, in charge of the transportation, did this \$742 voucher of Miss Jeanette V. Densmore come before you, or was it submitted to you for your approval?

Mr. BURROUGHS. It should come to me to check the personal—for approval of the transportation——

Mr. BLANTON. Was that ever submitted to you first before it was paid?

Mr. BURROUGHS. No, sir; it was not, or it would have borne my initials.

Senator KENYON. And you had charge of these approvals?——

Mr. BURROUGHS (interrupting). All vouchers containing—they all contain an approval—the transportation should come to that department to be checked for verification.

Senator KENYON. Could any one else approve them besides you?

Mr. BURROUGHS. They can approve, they could approve those vouchers, as they authorize the approval, but they were not in a

position to approve that transportation request other than to check up with the authority for the approval. In order that you may understand it, I will say that the Employment Service transportation requests were used entirely different from those in any other branch of the service. I have had much experience with that. I have had 20 years with one railroad office in handling Government transportation, and this transportation was used for the service, was advanced or loaned out for the use of wage earners being transported to these different projects, the Government projects, and they were not required to give an agreement for repayment. If it was a project of the War Department or the Navy Department, the railroads would bill against them, but if it was a private contractor that wanted the men transported they would have to sign an agreement to reimburse the Government.

The CHAIRMAN. How long were you connected with the United States Employment Service?

Mr. BURROUGHS. August 1 I was sought by them.

The CHAIRMAN. What year?

Mr. BURROUGHS. 1918.

The CHAIRMAN. And you remained until May, as you have stated?

Mr. BURROUGHS. Yes, sir.

The CHAIRMAN. Are you in favor of the establishment of a free employment bureau in the Department of Labor?

Mr. BURROUGHS. I most assuredly am.

The CHAIRMAN. You are in favor of that?

Mr. BURROUGHS. Yes, sir.

Mr. MACCRATE. Was there not a revolving fund of \$250,000 of which you were in charge?

Mr. BURROUGHS. No; that is in charge of the disbursing clerk.

Mr. MACCRATE. And with the general expenses you did not have anything to do, you had nothing to approve, is not that so?

Mr. BURROUGHS. Yes; I had nothing to do with anything but transportation, nothing with the general expenses.

Mr. MACCRATE. So that you would not have to approve any of these vouchers?

Mr. BURROUGHS. But they are all transportation vouchers. There are two items there, traveling expenses and transportation.

Mr. MACCRATE. And you would not have to approve the traveling expenses?

Mr. BURROUGHS. No, sir. That does not cover the transportation, bear in mind.

Mr. MACCRATE. How much was the transportation item?

Mr. BURROUGHS. The amounts submitted by the railroads are the amounts taken.

Mr. MACCRATE. When any one in the Labor Department had transportation they would have to submit the transportation voucher for the railroad.

Mr. BURROUGHS. To the railroad?

Mr. MACCRATE. To the railroad to O. K.

Mr. BURROUGHS. If he wants that transportation, he gives you a ticket, and he marks on that ticket, the railroad agent does, "Government." The ticket is made out, and the transportation request is in the possession of the agent of the railroad, and it is submitted to the auditor, and then it goes on through to the transportation de-

partment, the chief of the department, and in the Employment Service it comes in there to be checked out and verified, to see that it is proper. If it is going to the War Department they send their bills before they certify that the approval was necessary.

Mr. MACCRATE. Have you any O. K'd vouchers similar to this one?

Mr. BURROUGHS. Yes, sir: hundreds and hundreds of them. Let me take a glance at this in order to be sure.

Mr. MACCRATE. Let him look at that voucher to see if he ever did O. K. it.

Mr. BURROUGH. No; I did not, or my initials would be on it.

Mr. BLANTON. These transportation books were required to be placed back into the department?

Mr. BURROUGHS. The procedure—

Mr. BLANTON (interrupting). They had to be placed back there?

Mr. BURROUGHS. Yes, sir.

Mr. BLANTON. And how many of them have been filed?

Mr. BURROUGHS. There are a great many of them, but no record has been kept of them. They are disposed of.

Mr. BLANTON. If a careful investigation had been made of the millions of dollars that have been spent by the department, in your judgment, how much would be shown to have been wasted and misapplied, from the investigation that you have made?

Mr. MACCRATE. Oh, that question I will object to, of course. You have a resolution asking for the data from this department?

Mr. BLANTON. Yes; and I would go into these details for the purpose of getting the data. It will be a disgrace if it is not.

The CHAIRMAN. Let us go on with the Employment Service end of it and ascertain whether an Employment Service is necessary.

Mr. BLANTON. But this man is a careful auditor. He is familiar with the duties, and he knows what happened. He is an expert—

Senator KENYON. He says that the whole thing is rotten. I would like to know the facts on which he bases the opinion.

Mr. BLANTON. That is along the lines testified to by the gentleman who was on the stand yesterday.

Senator KENYON. I would like to get the facts on which he bases his opinion that the whole thing is rotten.

Mr. BURROUGHS. Here is a sample. There is a man by the name of Hibbard who went into the service, and on his own statement he was earning \$1,500 before he entered the service, about last April.

Mr. BLANTON. April of this year?

Mr. BURROUGHS. April of last year. His chief duty was to see that everybody was supplied with a desk, that needed a desk, or other office furniture, or to watch the boy getting out the stereotyped letters, the stenographic letters, in the stenographic bureau. I feel safe in saying that he should not be drawing considerably over \$3,000. He is one of the men that went to France.

Senator KENYON. Was he a prominent politician, or anything like that?

Mr. BURROUGHS. No; not that I know anything about.

Mr. MACCRATE. What is he getting in France?

Mr. BURROUGHS. I could not say what he is getting in France. I heard that he was getting \$4,500.

Mr. MACCRATE. And what is he doing in France?

Mr. BURROUGHS. Well, he is distributing literature and taking the cards from the soldiers, giving cards to the soldiers, so that they can get jobs when they return.

Senator KENYON. What else do you know that was rotten?

Mr. BURROUGHS. Well, they claim that they have placed so many people in the United States through the Employment Service. That is not so. These private concerns who are absolutely forced to go at a project—they were forced to go out into the territory to get their help and the Employment Service tried to borrow them whenever they possibly could; they tried to borrow private employment agencies, wherever they could, and the records show that they have placed this number of people, but they are not placements of the Employment Service direct, because they required them, if they were permitted to do the recruiting, the employment office would receive the benefit. Take this office down on the Avenue. They are placing the people there in the various departments, through the department. The Government wants the people, and anybody can get those jobs. That is the nature of over 50 per cent of their placements.

Mr. MACCRATE. You say that there are a great many people who are placed in positions for which the Government gets the credit. Can you specifically name any employment services of any private concern for which the Government gets this credit?

Mr. BURROUGHS. Well, take the case of this man yesterday. I know about that case.

Mr. MACCRATE. Now, is that true—

Mr. BURROUGHS (interrupting). Well, there is an excuse for them, and their files show that they got those men.

Mr. MACCRATE. Well, state which one that you know personally about?

Mr. BURROUGHS. Well, I know the conditions that existed down at Norfolk, and I know the conditions that existed in Washington.

Mr. MACCRATE. Do you know of any particular firms that got men and the Government claimed credit for it?

Mr. BURROUGHS. Well, there are advertisements in the papers requiring them to come through the Government—

Mr. MACCRATE. But give us some particular instance. It does not do any good to make a general statement.

Mr. BURROUGHS. Well, we are speaking generally on these things now. I can not state just what did happen. The records show what did happen.

Mr. MACCRATE. When you speak of the records, what records do you apply for?

Mr. BURROUGHS. The comparison records now, the skilled and unskilled labor section.

Mr. MACCRATE. And would they show how many private companies got them for which the Government got the credit—

Mr. BURROUGHS. Yes. Who were permitted to and whether they were permitted to send out recruits, like they did down at Norfolk there.

Mr. NOLAN. Do you know whether at Norfolk the Employment Service was acting in conjunction with the War Department in the matter of recruiting suitable labor?

Mr. BURROUGHS. Yes; they recruited for the War Department and for the Navy Department.

Mr. NOLAN. And do you know whether they were acting in conjunction with them?

Mr. BURROUGHS. I assume that they were, if they were recruiting for them.

Mr. NOLAN. And that applied in Norfolk—

Mr. BURROUGHS. All over the country.

Mr. BLANTON. With regard to the question of unionism, would a man who was a member of the union have any better chance up there than a man who is not a member of the union?

Mr. BURROUGHS. Well, I could not say that.

Mr. BLANTON. Are you a member of a union?

Mr. BURROUGHS. No, sir.

Senator JONES. I will ask the witness if he does not believe that Mr. Densmore was correct when he referred to you as a disgruntled employee?

Mr. BURROUGHS. Absolutely not. He can not prove it.

Senator JONES. I think that your testimony this morning would be more evidence on that.

Mr. CROXTON. Mr. Chairman, I would just like the committee to change one answer, and I request that I be permitted to change one answer in the statement I gave the other day. In response to a question where I was asked if we had a teachers' federation in Ohio and an organization of teachers, my answer to the question was that we had. Then I was asked whether they were protesting against our actions in the placement of teachers. To that question my answer was wrong. Of course, the question was perfectly plain, but my mind was immediately transferred to the teachers' agencies, and I would like to put in the correct answer. May I make a correction in regard to that question about the teachers' agencies here?

The CHAIRMAN. If you will correct the statement and hand it to the stenographer it will be printed as it is corrected.

The CHAIRMAN. We will now go into executive session.

(Whereupon, at 11.35 a. m. the hearing adjourned until 10 o'clock the following morning.)

NATIONAL EMPLOYMENT SYSTEM.

FRIDAY, JUNE 27, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met pursuant to adjournment at 10 o'clock a. m. in room 201, Senate Office Building, Hon. J. A. M. Smith presiding.

Present: Senator Kenyon, Representative Smith (chairman), Hersey, Nolan, Gould, and Zehlman.

Also present: Benjamin C. Marsh, secretary Farmers' National Council; Hon. John B. Densmore, Director General United States Employment Service; Mrs. Margaretta Neal, assistant to the Director General United States Employment Service; Mrs. Nama B. Riddell, special agent in the United States Employment Service; Samuel W. Mason, director of the control division of the United States Employment Service.

The committee continued consideration of the Senate bill (S. 1442) to provide for the establishment of a national employment system and to provide for the cooperation of the States in the promotion of such system and to regulate the expenditure of moneys that shall be appropriated for such service; and the Senate bill (S. 688) to provide for a national employment system; and House bill (H. R. 4305) to provide for the establishment of a national employment system and for cooperation of the States in the promotion of such system, and to regulate the expenditures of moneys that shall be appropriated for such purposes.

The CHAIRMAN. The committee will be in order.

STATEMENT OF MR. BENJAMIN C. MARSH, SECRETARY FARMERS' NATIONAL COUNCIL, WASHINGTON, D. C.

The CHAIRMAN. Give your name and residence and your official position, if any.

Mr. MARSH. Benjamin C. Marsh, secretary of the Farmers' National Council, and address, Bliss Building, Washington, D. C.

Senator KENYON. What is the Farmers' National Council?

Mr. MARSH. The Farmers' National Council, Senator Kenyon, is a special union of a number of the larger farmers' organizations, some of them national and some of them State, which I will enumerate, which are united to carry out a land construction program, which was adopted at a delegate conference of this association, of these farm

organizations. held here in Washington last January, as the Farmers' National Reconstruction Conference, and that conference adopted a reconstruction program for farmers, but with a section on labor which I will refer to. Among the organizations united for this program are the National Nonpartisan League, the American Federation of Gleaners, the American Society of Equity—I will give you a list of them—a number of State granges, Colorado, Nebraska, Washington, Oregon, Idaho, and a number of State farmers' unions.

The CHAIRMAN. Let me ask you, have you been requested to come here, or do you come here appearing on your own voluntary behalf?

Mr. MARSH. I am appearing here, Mr. Chairman, solely because we are authorized to appear on measures which directly affect the interests of the farmers, and we appear in this connection because, in our reconstruction program, we took the position that the principle must be fully established and universally recognized that labor is the first fixed charge upon all industry.

The CHAIRMAN. What I am getting at is this: Have you held a meeting of the directors, at which meeting you were authorized to appear on behalf of these various organizations which you have mentioned?

Mr. MARSH. No; here is our situation——

The CHAIRMAN (interrupting). I only want to see if you are coming voluntarily, of your own volition, or if you have been authorized by these organizations to appear for them.

Mr. MARSH. I will have to answer that in this way: You asked further whether we had had a special meeting of the directors on this matter, and whether or not I was authorized by this meeting to appear here, and I will answer that we have not, but that I am the secretary and Mr. George P. Hampton is the managing director, and I am secretary and director of legislation, and we are authorized to appear on behalf of these organizations for the carrying out of our reconstruction program adopted as I have stated.

The CHAIRMAN. You and Mr. Hampton have talked it over——

Mr. MARSH. Yes; Mr. Hampton and I have talked it over——

The CHAIRMAN (interrupting). And you appear——

Mr. MARSH (interrupting). And we appear here in their behalf, and on others where we think farm interests are concerned. We are cooperating with the American Federation of Labor, and labor parties on our two reconstruction programs——

The CHAIRMAN. Do you appear for or against this bill?

Mr. MARSH. We appear very strongly—we appear for the bill very strongly—in favor of the bill.

The CHAIRMAN. And will you give us the reasons why?

Mr. MARSH. Yes; I will. In the first place, the farmers realize that we have—they think we have got to have more and better trained workers on the farm. They have not been satisfactorily served in this matter by the private agencies, and they have realized that the most effective way to get the sort of men they need for help on the farm is through a national agency or a national employment exchange, noncommercial, nonpolitical organizations, for certifying to the employers the workers, and therefore, as I will admit, it is a selfish point of view for the farmers, it is in their self interest, but it is enlightened self interest, that leads them to endorse the principles of

this bill. I will say that I have examined only Senator Kenyon's bill—

Senator KENYON. It is practically the same as Mr. Nolan's bill.

Mr. MARSH. I do not know the wording of it, and I know that you gentlemen, the body of you gentlemen, will accept any minor changes or suggestions. It is the principle of establishing a national employment exchange that we endorse.

The CHAIRMAN (interrupting). About how many members do these organizations represent?

Mr. MARSH. Well, taking all of the organizations, it may be said that it is three-quarters of a million.

Senator KENYON. I am sure that Representative Nolan and I have no pride of opinion about the bill, but we welcome criticisms and suggestions. We want to get all of the criticisms that we can.

The CHAIRMAN. The committee will be glad, if there are any suggestions of amendment, to consider, and hope that you will give it. We expect later to hold a meeting to look over the bill and give more consideration to the bill. Now we are calling witnesses and getting their statements in order to get evidence which will enlighten us when we come to do that.

Mr. MARSH. And we will be very glad, after reading the testimony, to suggest amendments.

Senator KENYON. But you are coming and endorsing the principles of the bill on behalf of the organizations that you represent from the farmers' standpoint?

Mr. MARSH. We are endorsing the principles of the bill from the farmers' standpoint; yes, sir.

Senator KENYON. And giving us your reasons?

Mr. MARSH. Yes; and the first I will give—I have several others, Senator Kenyon—

Mr. HERSEY. Your organization which you represent has never endorsed this bill as an organization, has it?

Mr. MARSH. No, it has never endorsed the bill as an organization, and that is why I put it that we endorse the principles of this bill. I might read sections of the program—

Mr. HERSEY. But when you endorse the principles of the bill, you had not this particular bill in mind?

Mr. MARSH. No; but we had in mind the situation which this bill attempts to improve. Of course, in a reconstruction, we could not expect a bill not yet introduced, we did not expect to endorse a bill that has not been introduced, and it was not introduced then, but what we endorse are the principles which these bills embody. We adopted a resolution endorsing the policy of reduced fares on railroads.

Mr. HERSEY. What has that got to do with this bill? Does this bill say anything about reduced fares on railroads?

Mr. MARSH. It seems to me that you meet that point in your provision that the fare shall be paid for the men going to employment.

Mr. GOULD. When was that endorsement made and where was the meeting held that made that endorsement? Can you tell me?

Mr. MARSH. It was held here in Washington on January 7, 8, and 9, 1919, the Commerce of National Reconstruction conference, and we had a conference of the delegates of the large organizations, National and State organizations.

Now, there is a second reason why we endorse this bill, and it is, that the farmers realize that only the permanently employed and steadily employed workers in the cities at fair wages, that those are the farmers' best market. It may be that you will think we are putting this largely from a conciliation point of view, but the farmers understand mighty well that an unemployed mass of men and women out of work in the city do not consume the farm products, and that is the reason they take the position labor should be the first fixed charged upon industry, and we know perfectly well, without some employment exchange similar to this one provided for in the bill, that we are going to have unemployment.

The third reason that we want to endorse the bill is this, that it is a very sensible, common sense and common justice method of dealing with the industrial discontent in this country. Now the farmers do not feel that the workers of America should ape the anarchistic methods of the Bolsheviks of Wall Street. They are opposed to it absolutely. They do not look—

Mr. HERSEY. What do you mean by "the Bolshevik methods of Wall Street?"

Mr. MARSH. Well, it is rather a long statement, but I will illustrate it. They do not like having special privileges for any little group of wealthy financiers. They do not like this plan of Mr. Vanderlip and Mr. Davidson, for instance, to organize an international money trust, a credit trust, which will be more powerful than any man in any Government in existence. I will say that Mr. Hampton put out a statement opposing any form of credit, to any form of governmental—

The CHAIRMAN. What do you refer to? Do you refer to the branch banking?

Mr. MARSH. I am referring to Mr. Vanderlips and Mr. Davidson's statement before the Committee on Foreign Relations of the United States, in which Mr. Vanderlip stated that the loans should be first secured by a first lien upon the customs of those countries that are borrowing. Now, a man does not have to go back very far in history to know that that procedure has been a most prolific cause of war.

Mr. GOULD. How would you secure any loss that we might make? How would you do that? Is not our country doing it now in the case of San Domingo and Costa Rica? We are having the first lien on the customs there.

Mr. MARSH. Yes, but the end is not yet. It has worked out well in one case. I do not want to go into detail—

Mr. GOULD. Yes, if you start a debate you will be here a very great length of time. I am interested in this bill for the United States Employment Service.

Mr. MARSH. As I said in response to the question, I say, knowing the feeling of the farmers, that they do not believe—I know that the farmers know that there is something wrong where one five-thousandths of 1 per cent of the population, of the aggregate population, owns one-quarter of the whole wealth.

Mr. GOULD. But tell me, how does this bill affect that?

Mr. HERSEY. Do you think that this bill will affect that in any way?

Mr. MARSH. Most assuredly it will. That will affect this bill in this way, that it will reduce the amount of unemployment we are

very confident. I heard some of Secretary Wilson's statement about the work that has been done already, and we think that it has been a mighty good thing that the Department of Labor has done that work in cooperation with the other State and local employment agencies, and we think the situation of a lot of unemployed in one city or locality and a lot of men looking for workers in other localities can be cured by the bill. Many of these men out of employment can not afford to advance the car fare to go where they are worst needed, and we feel this bill, providing for bringing the unemployed and the employers together, and making it possible for the unemployed to get to the jobs, is going to mean a great deal more production, better wages, and better working conditions for the workers, and frankly, from a selfish standpoint, it is going to help the farmers as well, both by getting them workers, and by getting them the market.

Mr. GOULD. Do you think that the farmers are going to stand their share of the taxes for paying the railroad fares?

Mr. MARSH. Yes, sir; if the gentlemen of Wall Street were one-thousandth as willing you would not have any trouble. You know that Otto Kuhn, of Kuhn, Loeb & Co., strung a banner across the street there, "Can the Kaiser," and yet he is opposed to the bill.

The CHAIRMAN. How many men do the farmers want now for harvesting in the West? Do you know anything about the unemployment in the West?

Mr. MARSH. Why, the statement—I have seen a statement to the effect that there were 80,000 wanted in Kansas. I do not have any definite figures. I did not take up that end of it. That is a thing that must be handled by the employment department. We have not the facilities. We have a small force here in Washington.

Mr. DENSMORE. Do they need any help in the Northwest?

Mr. MARSH. I think they need help in the Northwest, but before I go I want to get this down, that the farmers realize, and while this is essential and is of great help, it is not a permanent solution of the question. We believe that taxes that aim to tax the resources should be had so that these men can own their own farms—

The CHAIRMAN. You publish a newspaper, do you not?

Mr. MARSH. Well, we publish The Farmers' Open Forum.

The CHAIRMAN. Yes; I have seen copies of it. How much of an issue do you publish?

Mr. MARSH. I do not know what that is. Mr. Hampton has charge of that. I would like to say this, that I write for farm papers that have a circulation of from two to three million, and I occasionally write an article for The Successful Farmer, that has a circulation of 800,000.

The CHAIRMAN. And have you found any complaints from the organizations in regard to this bill?

Mr. MARSH. We have not, but there could have been. I have not seen any complaint. May I add this, the farmers know that there is no private institution on earth that can do the work; and while there have been mistakes, you must expect a few little mistakes in such a tremendous undertaking.

Senator KENYON. What you consider the psychology of this matter, you think that unemployment makes an unrest, and that the employment, a national employment agency, may help to bring the job

and the man together, and in that way it will help in solving the problem of unrest?

Mr. MARSH. Yes; absolutely. It will help. Arresting people by the thousands will not help. An empty stomach knows no law, nor do some of the overloaded ones in New York.

The CHAIRMAN. But they are not farming in New York.

Mr. MARSH. No; that is where they farm the farmers.

Mr. NOLAN. Do you know anything about the spread of the I. W. W. creed and the discontent among the migratory workers or farm laborers?

Mr. MARSH. Why, I can tell you what I have read of it. I know that there is some discontent, and I am not at all surprised.

Mr. NOLAN. Do you think that the United States Employment Service, acting in conjunction with the States, giving some consideration in the drafting of those men to jobs, would have the effect of sort of satisfying their mind that the Government was giving them some consideration?

Mr. MARSH. Very strongly. They would feel this, "This is really our Government, taking up our needs, and it is trying to help us."

The rendering of such a service, I think, is one of the best preventatives of the I. W. W. creed, or any other sort of discontent, due to unemployment and unjust economic conditions. I think it is a very strong factor in achieving what you suggest.

Mr. NOLAN. This would be only one step, however, in looking after the interests of those who are on the farm.

Mr. MARSH. Do you mean of the men who are seeking employment on the farm?

Mr. NOLAN. Yes.

Mr. MARSH. Yes. I think we have a whole chain of events, but it is a very important link in the chain. It is one of the first. We do not want to be understood as thinking that this method is sufficient, but it is necessary. Some of the other measures have to work out and help, but we have to take them up, all these things, in their sequence.

Mr. NOLAN. And what has been the general experience of farm labor with private employment agencies? Have you any ideas on that?

Mr. MARSH. Yes, sir; I have lived in New York for 11 years before I came down here. I was secretary of the New York congestion committee to the Federal commission, the New York City congestion committee, and we wondered why people came to New York and stayed there, drifted in there and stayed there, and I made a cursory inquiry about it—not a thorough one, not a complete one; I made a cursory examination of the private employment agencies, and I found—this is my recollection; I can not give the figures—but I found that those exchanges, many of them, were in the habit of shipping men out, and charging them a fee when they knew that there was but a very small amount of work to be done, and that it was their policy to do that, inasmuch as they made more money out of it. Any employment agency is in the business for money, and it wants to get a quick turnover. It does not want long employment for any man. It does not care to have a man stay long in any employment, and the more the men are shifted the more money there is for the private exchange.

Mr. NOLAN. Do you think that a system of public employment service, both national and State, would meet that situation to the extent that a man would know where he was going, and when he got there he would have a job?

Mr. MARSH. I think it would very largely do that. I do not think it would be a complete remedy, but it would be a very large improvement over the present situation. Of course, there is a personal element coming in there, and one of the purposes of this bill is to try to select men for the jobs. There is no use trying to send a city-bred east-sider to do work on a farm. I have worked on a farm. I worked on a farm in Iowa, in order to work my way through college, and I graduated from the Grinnell College, of which Senator Kenyon is a trustee, and I worked on a farm, and I could stand it, but some people could not stand it. You have to use judgment. That is what has been done by the Employment Service, and will be done. I do not think that it is a permanent solution, but I feel that if we do not take some measure to meet this unemployment situation, and unrest of this country through such service as this bill contemplates, this employment service can render, we are going to have some awfully hot times in this country.

Mr. GOULD. How much unemployment is there, do you know?

Mr. MARSH. On the farms?

Mr. GOULD. Yes.

Mr. MARSH. Well, there would be naturally a little less during the harvesting season than during the winter, but that is a question of temporary employment on the farms.

Mr. GOULD. Did you see the statement made by Col. Woods of the War Department, who prophesied that before the first of the year that you would not have a heavy shortage?

Mr. MARSH. Yes; and I know Arthur Woods.

Mr. GOULD. And you would not question his statement?

Mr. MARSH. As I say, I know Arthur Woods, and I would question his statement very seriously. I would question it very seriously. May I say this, if it is not out of place, that the Department of Labor's request for an appropriation of \$500,000 for investigation and inquiry along the line of work, if it was granted, it would do a great deal of good—

Mr. GOULD. It was—

Mr. MARSH. It was refused in Congress.

Mr. GOULD. It was put out on a point of order.

Mr. MARSH. Well, I hope that the point of order may be submerged for the common good of the order.

Mr. HERSEY. Before you leave, I understand you represent the Nonpartisan Farmers' League of the West?

Mr. MARSH. Only on this program. We have nothing to do with local matters, and they have four representative officials appointed, I believe, to come down and interest themselves in this reconstruction program.

Mr. HERSEY. And you are working with them, are you?

Mr. MARSH. We are working with them on this reconstruction.

Mr. HERSEY. And do you indorse the nonpartisan movement in the West, the farmers' movement?

Mr. MARSH. I do not see any reason why we should not—

Mr. HERSEY. I did not ask for that, but I asked did you indorse it?

Mr. MARSH. Well, I hope that they will succeed all over the country.

Mr. HERSEY. That you are in favor of it.

Mr. MARSH. I am in favor of it very strongly. We think that they have made some mistakes, of course, in some of their policies, but the principle of warm and complete cooperation between the farmers and laborers seems to us entirely sound.

Mr. GOULD. How did the referendum come out, do you know?

Mr. MARSH. No; I have not heard. The private interests would like to see those things defeated, but I understand that the returns from the country are not in yet.

Mr. GOULD. The papers said it was lost by a vote of 2 to 1 against it.

The CHAIRMAN. What was the referendum?

Mr. MARSH. It was a referendum of the whole legislative program enacted by the North Dakota legislature last winter. Up there, they are really democratic, and they believe in letting the voters decide on it, and they have submitted it to the various parties, by referendum, and they have accepted the verdict, and will go to work on the educational work.

We hope that this bill will be reported out favorably, and if we can help in getting it through in any way, let us know.

Mr. HALL. Mr. Chairman, I just want to ask that you permit Mr. Densmore to go on at this time. There was a very scurrilous article appeared yesterday about the Employment Service in the Star, and they are conducting publicity in regard to this hearing, giving publicity to the statements of the witnesses here yesterday, and I believe that the time has come that these things ought to be answered, and the longer it runs the more harm it does, and the more irreparable the injury to a man of integrity. I am sure—

The CHAIRMAN. I will say that I am partially to blame because I was waiting for Mr. Densmore to testify after some of the other witnesses had explained their positions. He is not to blame for that, because I did not ask him three or four days ago to go upon the stand.

Mr. GOULD. I think we ought to hear from Mr. Densmore.

The CHAIRMAN. How long do you want?

Mr. DENSMORE. It depends on the committee altogether. If I can get through in 10 minutes, I will be glad to do so.

Mr. HALL. We have three or four witnesses here to refute absolutely those statements made here yesterday.

Mr. NOLAN. I think that these men ought to be permitted to conduct their own case. They are here as the proponents of the bill, and I submit that they ought to put witnesses on as they want.

Mr. HALL. I offer Mr. John B. Densmore, on behalf of Mr. Densmore, to refute those charges that were made against his integrity.

Mr. NOLAN. These men have been under fire, and I think they ought to be permitted to go on. I asked several times that they be permitted to cross-examine witnesses, and they have not taken part in it. The newspapers have taken this up, and it was in the Congressional Record yesterday, and the 4th of July is coming on, and a lot of these people will be going away. I think it is important that the Members of Congress be given some opportunity—

Senator KENYON. I move that Mr. Densmore be now heard.

Mr. NOLAN. I second the motion.

(The motion was second and carried unanimously).

**STATEMENT OF MR. JOHN B. DENSMORE, DIRECTOR GENERAL OF
THE UNITED STATES EMPLOYMENT SERVICE.**

Mr. DENSMORE. Mr. Chairman, and gentlemen of the committee, there are two things that this committee is considering, one the main question, and the most important question, that of whether you will report favorably upon a bill that is presented before you for the creation of a permanent Employment Service, and that, I think, is the most important thing you have to deal with.

You have had several side incidents, which, to this committee, are less important.

However, one of those instances, aside from the main purpose of this hearing, is of vital importance to me. It is important to me because in this room and elsewhere there has been a vicious and unwarranted and unfounded attack upon my character and reputation.

Now, I do not consider that it is the province of this committee to go into the question of my official conduct, or the charges that have been made generally and not specifically, with regard to waste and extravagance of the United States Employment Service during the war, nevertheless, it has been brought out, and if the committee desires to do so it can go into that matter so far as I personally am concerned.

I want to devote the most of whatever time I think would be proper to what this committee is interested in, viz: the Employment Service Bureau. The testimony that was produced here by Congressman Blanton in the last few days can be answered in detail, every bit of it, and I am not going to offer or undertake to answer any argument or produce any witnesses to refute those charges unless this committee wants to hear it.

There are two charges that I would feel like insisting on producing some witnesses to refute, and the balance I do not consider necessary to pay any attention to at the time.

The CHAIRMAN. We will be very glad to hear from you, Mr. Densmore.

Mr. DENSMORE. The two charges are with particular reference to an item of travel that was undertaken under the authority of her immediate superior, by Miss Jeanette V. Densmore, who happens to be my sister.

The CHAIRMAN. In that connection, are you a relative of the Secretary of Labor?

Mr. DENSMORE. I am not any relative of the Secretary of Labor as has been reported.

The CHAIRMAN. It has been said that you are a brother-in-law of the Secretary of Labor.

Mr. DENSMORE. I have been honored too much by some one, because I consider it as an honor to have been characterized as a brother-in-law or a nephew, or a son-in-law of Secretary Wilson. I am neither.

Senator KENYON. How do you think that story arose, Mr. Densmore? Did you live where he lived in Iowa?

Mr. DENSMORE. Well, Senator, Secretary Wilson, when I was about 5 years old, as you have asked the question—was blacklisted in Pennsylvania, and he could not get any kind of a job, not only in the city where he was, but in the coal mines or elsewhere, and he had to leave——

Senator KENYON. I did not ask you about that.

Mr. DENSMORE. But I want to tell the story. He came to Iowa and he came to my father. My father was the superintendent of the water supply system of the Illinois Central Railroad, from your city, Fort Dodge, Senator Kenyon, to our city, Waterloo, Iowa, at that time, and he got Mr. Wilson a job as a fireman on the Illinois Central, and enabled him to support his family until things blew over in Pennsylvania, when he went back, and it is true that he did live at our house.

Senator KENYON. But he is no relation to you at all?

Mr. DENSMORE. No; he is no relation to me at all. Miss Densmore is a sister of mine, and is a civil service employee, and was a civil service employee of the Post Office Department for 16 years before coming to Washington, and when she came to Washington she went into the employment service of the Immigration Bureau of the Department of Labor, before I had any connection with it, and with about 150 of the employees was transferred to the Employment Service when it was organized in January, 1918, by the Assistant Secretary of Labor.

Mr. HERSEY. What are her wages in the Employment Service?

Mr. DENSMORE. I think they are \$2,500 a year. She was employed as an examiner, in the one New York office we had at that time: it was in charge of Mrs. Margueretta Neale, who is now Assistant Director General, and she was the superintendent at that time at 22 East Twenty-second Street. In that connection I am going to explain this travel of Miss Densmore that I am going to show by Mrs. Neale: I will have her tell you about that.

I have here a duplicate of the original expense voucher filed by Miss Densmore, which shows that she left New York at 3.30 o'clock p. m. on the 4th day of July and arrived at Atlantic City at 6.30 p. m. She got her transportation on a Government transportation request. The price of the transportation was \$1.25. She paid a cash Pullman fare of 98 cents to Atlantic City and a porter fee of 25 cents, and the transfer of her official baggage was 25 cents. She was two days in Atlantic City and left at 9.15 o'clock of the 7th, and paid 98 cents cash for Pullman fare and \$1.25 transportation request back. She did not charge anything, and she was entitled to it, for her dinner en route from New York to Atlantic City. She is entitled to it. She is entitled to charge it in her account, but she did not charge it. She was entitled to charge for her breakfast, according to the regulations of the Treasury Department and the Department of Labor, on the train when she left Atlantic City, but she did not charge that in. The total expense was \$13.46, including every item.

She was on official business, detailed under an order to inspect the places of occupation that many of the New York girls were going to through our New York office. Mrs. Neale and she were handling that business in the New York employment office.

The CHAIRMAN. How does it figure out?

Mr. DENSMORE. She was allowed \$4 per diem for the 5th and 6th of July, and she was also entitled to her actual expenses for the other two days.

The CHAIRMAN. And that is allowed by the department, the amount allowed by the department when employees are out on official business as she was?

Mr. DENSMORE. Yes, sir.

The CHAIRMAN. And how much did that amount to?

Mr. DENSMORE. Eight dollars, and altogether, adding that in, the whole amount was \$13.46, which is the item that is charged.

Mr. HERSEY. Some charges were made, Mr. Densmore, that two other ladies accompanied her and that she paid the expenses of those two other ladies.

Mr. DENSMORE. I say that there is absolutely no foundation for it and I denounce it, if not a deliberate falsehood, as a plain falsehood.

The CHAIRMAN. What about the voucher attached to this bill—the itemized statement presented to the committee?

Mr. DENSMORE. The Pullman checks are attached just exactly where they always have been. The attempt to make you gentlemen believe that there was any mysterious disappearance of anything is predicated on absolute falsehood. They have been attached to this expense voucher all the time.

The CHAIRMAN. And the account was presented as shown there, and that shows that there are three tickets attached?

Mr. DENSMORE. That shows that there were three passenger Pullman checks from New York to Atlantic City; two of them did not belong in this voucher, they were paid for by Mrs. Riddell, a witness whom I will produce, for her daughter, and the other was a young girl who accompanied her daughter.

The CHAIRMAN. How did they come to be here?

Mr. DENSMORE. They do not belong with the account at all, as there is no charge for them in the voucher. This ticket here is the Pullman ticket returning. Of these three here, one of them is for the official trip going to Atlantic City, and these are Pullman checks returning.

Senator KENYON. And the railroad fare was not charged to the Government, nor the Pullman fare?

Mr. DENSMORE. It certainly was not.

Mr. HERSEY. And you were going to explain how the other two came there?

Mr. DENSMORE. Since Miss Densmore is not here—if she were she would readily explain it—I will explain it. This was the first official trip that Miss Densmore had ever taken. There are a great many regulations with regard to travel, with which she was not familiar. These two young girls were seated with Miss Densmore in the car. The tickets were handed, all together, to the Pullman conductor, and when they were handed back by him, I presume that Miss Densmore took all three of them from the conductor, and not knowing what to do with them turned them all in. There is the expense voucher, which shows that she only charged her own cash fare.

The CHAIRMAN. When was that voucher made out, Mr. Densmore? Was it made out at that time?

Mr. DENSMORE. No; not at that time, but after she completed the trip.

The CHAIRMAN. It was made out in its order soon after she completed the trip?

Mr. DENSMORE. Yes; those expense vouchers come in every month. On that point I just want to produce Mr. Neale first and Mrs. Ridell afterwards.

Mr. HERSEY. I think that Mr. Densmore had better go on.

Mr. ZIHLMAN. Your statement is sufficient for me, Mr. Densmore.

Mr. DENSMORE. Will my statement be sufficient before this committee?

The CHAIRMAN. Oh, Mr. Densmore, you are an attorney, and I think you had better adopt any procedure that you would like to take, and the committee would be very glad to hear you.

Mr. DENSMORE. If my statement is satisfactory to the committee, that may be all right, but some people are going to read this afterwards.

Mr. HERSEY. There is nothing dishonest or fraudulent about it, as far as I can see.

Mr. NOLAN. I would like to see Mr. Densmore handle the case in his own way. Representative Blanton yesterday, on a personal question, spoke on this matter, and his remarks appear on page 1923 of the Congressional Record. I think that Mr. Densmore ought to put on the witness.

STATEMENT OF MARGUERETTA NEALE, ASSISTANT TO THE DIRECTOR GENERAL, UNITED STATES EMPLOYMENT SERVICE.

Mr. DENSMORE. Mrs. Neale, you were in the Employment Service, and you were transferred to the present Employment Service from the Immigration Bureau, were you not?

Mrs. NEALE. Yes, sir.

The CHAIRMAN. Mrs. Neale, we will be pleased to hear what you have to say.

Mr. DENSMORE. She was in charge of the New York office at the time of this incident.

The CHAIRMAN. Will you give your name and your residence; your official position; and whom you represent?

Mrs. NEALE. My name is Mrs. Margueretta Neale, assistant to the director general. I am a civil service appointee in the Department of Labor, and in February, 1917, I was assigned to the work of the Federal, State, and municipal employment service in New Jersey. That was 11 months before the reorganization of the United States Employment Service, before the director general was appointed.

In January—that was in January, 1917, and I was the first woman appointed to take charge of the Federal and woman's work in the Federal service in New York. Miss Densmore was at that time an employee of the Federal service in Washington, and had been assigned to work in New York, and came into the work with me there.

In July—June or July—there were a number of girls coming out of school who were anxious to get work in the hotels and restaurants in Atlantic City, and I talked the matter over with Col. Bryant, the Commissioner of Labor, and our Federal director in New Jersey, and asked about the situation there, and he suggested that we had

better send a woman down to look over the situation. The Atlantic City office had just opened, and I assigned Miss Densmore to the work.

Her mother was with her in New York, and she was anxious to spend most of the holiday—July Fourth—with her mother, so she stayed in New York until after dinner, taking the 3.30 train for Atlantic City. She reported to Col. Bryant on the morning of the 5th, and I have a letter from Col. Bryant to that effect, and she was at the office the 5th and the 6th of July. That was Friday and Saturday, and she returned to New York on the 9.15 train Sunday morning. I submit that letter and also a short sworn statement of Mrs. Riddell.

Mr. DENSMORE. I ask that they be incorporated in the record.

The CHAIRMAN. Without objection, they may be incorporated in the record.

(The letter referred to, together with the sworn statement of Mrs. Riddell, is here printed in the record in full, as follows:)

UNITED STATES DEPARTMENT OF LABOR.
UNITED STATES EMPLOYMENT SERVICE,
Trenton, N. J., June 17, 1919.

Mrs. MARGARETTA NEALE,
United States Employment Service, Washington, D. C.

MY DEAR MRS. NEALE: I wish to advise you that I recall having had a conference with Miss Densmore regarding cooperative service for hotel help between New York and Atlantic City soon after the Atlantic City office was opened. The office opened about the 15th of June, 1918, and was in operation during the 3d, 4th, and 5th of July. It was open practically all of the Fourth of July on account of work which had to be performed.

Yours, respectfully,

LEWIS BRYANT,
Federal Director of Employment for New Jersey.

DISTRICT OF COLUMBIA, ss:

Mrs. Nana B. Riddell, of Chevy Chase, Md., being duly sworn, deposes and says: That my attention has been called to the remarks of Congressman Thomas L. Blanton and reported in the Congressional Record of June 5 and June 14, 1919, in relation to a trip made by Miss Jeanette V. Densmore on July 4, 1918; that to my own knowledge the statements made by Mr. Blanton therein to the effect that Miss Densmore received transportation and Pullman reservations for three persons on July 4, 1918, from New York City to Atlantic City, N. J., is untrue and misleading; that I was present at the Pennsylvania Station in New York City, on July 4, 1918, when Miss Densmore presented a Government transportation request for one ticket for herself from New York City to Atlantic City, N. J., and that to my knowledge she did not receive other transportation at that time on that date; that I know the two persons who accompanied Miss Densmore on that trip, inasmuch as one is my own daughter and the other a girl friend; that out of my own pocket I paid for the transportation and Pullman accommodations of my daughter and her friend for that trip; that I have not received nor sought to receive any refund of the amount paid out by me for that purpose at that time; that neither of the two persons who accompanied Miss Densmore at that time were employees of the Government; that I personally saw Miss Densmore and the two other persons depart on the train from New York; that the two persons did not return to New York with Miss Densmore, and that I myself paid out of my own funds for their return transportation from Atlantic City to New York City.

Subscribed and sworn to by me this _____ day of _____.

Notary Public.

Mrs. NEALE. I gave Miss Densmore a ticket for this trip—I gave Miss Densmore, and made it out for her from my own book of

transportation blanks, two blanks, and I have the blanks here, and those before and after hers, before and after the ones I had given her, were made by me. I gave her two blanks from this book.

Mr. DENSMORE. Were those transportation-blank stubs made out in the Employment Service by Miss Densmore?

Mrs. NEALE. No; I made them out myself.

Mr. DENSMORE. And she simply presented them?

Mrs. NEALE. She simply signed her name, which was necessary for the person using the blanks; the person using them must sign their names; and they were L 51736 and 51737. Now, the ones before these were used by me, and the ones after these throughout the book. I would be very glad to leave that book.

Mr. DENSMORE. I call attention to the fact that the numbers of the transportation stubs correspond with those certified in Miss Densmore's voucher, the only travel expense contained in this voucher. And that was for her own use, for her own travel, and for no one else; and you will recall that nowhere is there any expense voucher submitted for anyone else to Atlantic City. That is all, Mrs. Neale.

I want to offer this letter.

The CHAIRMAN. It has already been admitted.

Mr. DENSMORE. And also the blanks in the Government request for transportation.

The CHAIRMAN. It will be admitted.

Mr. DENSMORE. If the committee desires, you can get the original from the Treasury Department.

STATEMENT OF NANA B. RIDDELL, SPECIAL AGENT IN THE UNITED STATES EMPLOYMENT SERVICE.

The CHAIRMAN. Tell the committee your name and occupation.

Mrs. RIDDELL. Nana B. Riddell.

Mr. DENSMORE. And what is your occupation?

Mrs. RIDDELL. Special agent in the United States Employment Service.

Mr. DENSMORE. How long have you been employed there?

Mrs. RIDDELL. Since the 6th of March, 1918.

Mr. DENSMORE. And you were employed under Mrs. Neale in the New York office since July, 1918?

Mrs. RIDDELL. I was employed under Mrs. Neale in the New York office from March until September in New York.

Mr. DENSMORE. Do you know Miss Densmore, employed as an examiner?

Mrs. RIDDELL. Yes.

Mr. DENSMORE. Are you acquainted with the circumstances of her official trip to Atlantic City in July?

Mrs. RIDDELL. Yes.

Mr. DENSMORE. State whether or not anyone accompanied her on that trip.

Mrs. RIDDELL. Yes, sir; two young ladies; my daughter and a friend of hers. I knew Miss Densmore and knew she was going down there, and I was anxious to have my daughter make a trip to Atlantic City, but it was not convenient for me to go, and I was very anxious

to have somebody chaperone her, and I knew that Miss Densmore would be busy in the office at Atlantic City and suggested that it would not be particularly pleasant for her to go along with Miss Densmore, and this friend was there, and I suggested that the two girls go with Miss Densmore and I myself pay for the tickets for them. I went with Miss Densmore over to the station; we went over there together; and I went up and bought two tickets for the two girls and Miss Densmore presented her request for transportation.

Mr. DENSMORE. These two young ladies, one of them your daughter, who went to Atlantic City, they were connected with the United States Employment Service?

Mrs. RIDDELL. Not at all.

Mr. DENSMORE. Not in any way?

Mrs. RIDDELL. Not in any way.

Mr. DENSMORE. And they did not travel on any Government transportation request nor did they get their Pullman in that way?

Mrs. RIDDELL. They did not.

Mr. DENSMORE. But you paid your own money for the transportation and the Pullman and the railroad fare for these two young ladies yourself?

Mrs. RIDDELL. I paid for the transportation and for the Pullman tickets myself.

Mr. DENSMORE. I think that is all.

Mr. ZIHLMAN. What salary do you receive, Mrs. Riddell.

Mrs. RIDDELL. \$1,200 a year.

Mr. ZIHLMAN. Your home is in Montana?

Mrs. RIDDELL. Yes, sir.

Mr. DENSMORE. And your husband is surgeon in the Army in France?

Mrs. RIDDELL. Yes, sir; my husband is a surgeon in the Army. At present I am in the statistical section of the administrative office here.

Senator KENYON. And your salary is the same?

Mrs. RIDDELL. Yes, sir; in the statistical section.

Senator KENYON. What were you doing at the time of this incident, what were your duties?

Mrs. RIDDELL. I was an examiner. I was frequently interviewing the people in the office at New York.

Senator KENYON. Interviewing them. What do you mean?

Mrs. RIDDELL. I was interviewing them. They called at the information desk. People that came in were interviewed and registered, and assigned to the different placement desks—according to the line of work that they wanted.

Mr. HERSEY. What was your salary there?

Mrs. RIDDELL. \$1,200.

Mr. DENSMORE. I will ask this committee if that is a satisfactory explanation of the charge that has been made, that my sister and I conspired to defraud the Government out of transportation, and if it is I will be satisfied to let it rest there. I do not want to go any further than the committee wants to go. The committee understands that she was sent there officially, and while there she conferred with the State director, and was working in the Employment Service two days while she was there.

The CHAIRMAN. Is she in the city now?

Mr. DENSMORE. She is not.

The CHAIRMAN. Do you expect to have her make a statement before the committee?

Mr. DENSMORE. If the committee——

The CHAIRMAN. I do not think it is necessary.

Mr. DENSMORE. She is in the West.

Mr. ZIHLMAN. I would like for you to take up the charge made by Mr. Blanton, that Miss Densmore got a trip across the continent——

Senator KENYON. Mr. Blanton stated here that the order for transportation, he exhibited here, and it had a clear indication of something having been removed from it. He exhibited here what he said were pin marks. On the floor of the House yesterday he stated that he had substantiated his charge that something had been removed. There were pinholes in that transportation request.

Mr. DENSMORE. That is quite true. There were some pinholes in the transportation request, and that transportation request was removed by one of our clerks without any authority from the office, and that transportation request was pinned to this expense account.

Senator KENYON. That is not the transportation request you have in your hand?

Mr. DENSMORE. No, sir; Mr. Lynn, who appears here, without any authority, and contrary to both the law and the regulations of the department, abstracted those records from the official files that were not under his jurisdiction, and did so without any authority whatever. He did not take the expense account, but unpinned the transportation request from this expense account, and he left the pinholes in the bottom of it on the duplicate transportation request—all of them are pinned to the expense account.

Senator KENYON. He said in his speech yesterday:

If they did pay their Pullman fares it leaves Mr. Densmore in a worse position than before. Sir, like Banquo's ghost, these three Pullman coupons, issued July 4, 1918, office No. 2357, Form 2, and numbered 5071, 5072, and 5073, will not down, because two and one-half weeks ago they were attached to the transportation request, No. 1-51736, made out by Miss Jeanette Densmore herself, in her own handwriting, and signed by her.

He had that transportation request before us.

Mr. DENSMORE. He had that transportation request.

Senator KENYON. You have not had it this morning?

Mr. DENSMORE. No; I presume that the stenographer has it.

The STENOGRAPHER. No; it was not given to me yesterday, but was probably taken away by Mr. Lynn.

Senator KENYON. What I am trying to get is that paper——

Mr. DENSMORE. I will show you what that is. There is a blank [indicating] duplicate. This is the original. The railroad gets this one, and the employee files this one, the duplicate, with the expense account, and it is this duplicate that Mr. Blanton had here yesterday, and it was unpinned from the expense account that I present with me here this morning, unpinned from that expense account by Mr. Lynn, and was brought up here by Mr. Blanton.

The CHAIRMAN. And it was formerly pinned to the original?

Mr. DENSMORE. Formerly pinned to the original that I gave you this morning, but Mr. Lynn abstracted the transportation request only, and consequently had to take the pins out to get it off, and left

the expense account there with the Pullman tickets. The Pullman tickets are all there [indicating], numbers 5071, 5072, 5073.

The CHAIRMAN. The transportation voucher itself is blue, and the duplicate is white?

Mr. DENSMORE. Yes, sir.

The CHAIRMAN. And he had the white one here yesterday, showing it was the duplicate?

Mr. DENSMORE. Yes, sir.

Mr. NOLAN. The original is held by the railroad company and the employee files with his expense voucher a duplicate, and he had the duplicate here yesterday, turned in by Miss Densmore?

Mr. DENSMORE. Yes, sir.

Mr. NOLAN. And you say that Mr. Lynn took the duplicate transportation request pinned to this voucher?

Mr. DENSMORE. Yes, sir.

Mr. NOLAN. And left the expense statement and the Pullman tickets?

Mr. DENSMORE. Left them in the files, only producing the duplicate transportation voucher, which had been originally pinned to the expense account with the Pullman tickets.

Mr. NOLAN. Do you know whether or not he consulted anyone in your department about taking the records away from there without permission?

Mr. DENSMORE. He did not. He had absolutely no authority to take them, and I want to say that Mr. Lynn, yesterday, when he testified, stated that he got those at the request of Mr. Blanton the day before. I will produce Mr. Mason to show that he had some of the evidence abstracted from the files several days ago.

The CHAIRMAN. Give the number of the duplicate statement put in yesterday.

Mr. GOULD. Why should the three Pullman seat tickets be attached to the expense account?

Mr. DENSMORE. They should not be.

Mr. GOULD. The expense account calls for one person and one trip, and I do not know why they call for three.

Mr. DENSMORE. The other two did not belong there at all. She got them back from the conductor, as I have explained, and she put them all in simply because she had them.

Now, in regard to this Pullman passenger check, I venture to say that of all the expense accounts turned into the Government, in one-third there are no Pullman checks turned in at all. They are supposed to be turned in as evidence that the passenger actually took the trip; that is all; in over one-third of the expense accounts they are not turned in at all. The expense account is made out, certified, and sworn to; and another thing, let me remind the committee of this. It has been charged that Government money has been used to do these things. Nobody in the Government service has any Government money. You pay your own money, for all expenses, and file an expense account, and recover that from the Government after it has passed the disbursement clerk; you do not have any Government money to pay. Nobody has.

I will be glad to make any further explanation of anything that is in the mind of the committee.

Mr. ZIHLMAN. There is just one question that I would like to ask. On this voucher of Miss Densmore is the word "examiner" stricken through and written in is the word "clerk". Who was in charge of the New York office?

Mr. DENSMORE. Mrs. Neale was in charge of the New York office.

Mr. ZIHLMAN. And she directed Miss Densmore to go to Atlantic City?

Mr. DENSMORE. She did, as the superintendent in charge. There is just one other thing in connection with all these expense accounts testified to by Mr. Burroughs, and I want to say that there were only two witnesses that made irresponsible prevarications, and I want to say that when anybody charges me, and those charges are founded on an absolute falsehood, that I am going to get pretty mad. I am not going to lose my temper, because that gives the advantage to the other fellow. But I am going to get pretty mad.

I will be very glad to submit to any examination based on fair charges, and I defy anybody to find any crookedness or graft throughout the United States Employment Service, and I want to say also, just for the benefit of this record, that I do not yield to anybody, even the gentleman from west Texas, in my vigorous opposition to graft, not only in the Employment Service, but in every service.

Now, Mr. Burroughs stated that he had—that it was his duty to initial these expense accounts. I am going to have Mr. Mason, directly in charge of that division in which Mr. Lynn and Mr. Burroughs were, come forward to refute those charges.

**STATEMENT OF SAMUEL W. MASON, DIRECTOR OF CONTROL
DIVISION OF THE EMPLOYMENT SERVICE.**

Mr. DENSMORE. What is your position?

Mr. MASON. Director of the control division of the Employment Service.

Mr. DENSMORE. And the accounting section and the administrative section are all under your jurisdiction?

Mr. MASON. They are.

Mr. DENSMORE. Mr. Burroughs and Mr. Lynn are both under your jurisdiction?

Mr. MASON. They were.

Mr. DENSMORE. You heard the statement of Mr. Burroughs, which was to the effect that it was a part of his duty to initial these expense vouchers, and he told the committee, and showed the committee, that two expense vouchers of Miss Densmore did not bear his initials. State to the committee whether it was any part of Mr. Burroughs's duty to examine these expense vouchers.

Mr. MASON. It was not any part of Mr. Burroughs's duty to examine any vouchers involving transportation for persons other than wage earners being transported to war industries, and, inasmuch as those accounts have no connection with the wage earners, they should not have passed through Mr. Burroughs's hands at all.

Mr. DENSMORE. They should have passed through the administration accounting office, of which Mr. Leemon was in charge?

Mr. MASON. Yes, sir.

Mr. DENSMORE. As chief of the division?

Mr. MASON. Yes, sir.

Mr. DENSMORE. What was Mr. Burroughs in charge of?

Mr. MASON. Of transportation for wage earners being sent to war industries, both under the revolving fund and the Government projects.

Mr. DENSMORE. That is, the transportation for the laborers engaged in the war projects?

Mr. MASON. Yes, sir.

Mr. DENSMORE. He had nothing to do with the question of the service transportation at all?

Mr. MASON. None.

Mr. DENSMORE. How long was he employed on the transportation service?

Mr. MASON. From August 1 to May 7, 1919.

Mr. DENSMORE. And you are familiar with his work?

Mr. MASON. Yes, sir.

Mr. DENSMORE. Did he have full charge of it?

Mr. MASON. He had practically full charge, unlimited sway.

Mr. DENSMORE. Was that work satisfactorily done?

Mr. MASON. No, sir; it was in a deplorable condition.

Mr. DENSMORE. It was not done at all, was it?

Mr. MASON. That is substantially the story.

Mr. DENSMORE. And he worked on it from last July to May?

Mr. MASON. From the 1st of August until May.

Mr. DENSMORE. And you have recently placed Mr. Mellon in charge of auditing those accounts, have you?

Mr. MASON. Yes, sir.

Mr. DENSMORE. And it has proceeded in what manner?

Mr. MASON. It proceeded in very much better manner than it did under Mr. Burroughs's administration.

Mr. DENSMORE. Did you request Mr. Burroughs to file any official reports as to the progress of his work?

Mr. MASON. I did, about April 17, 1919, or somewhere around there.

Mr. DENSMORE. Did Mr. Burroughs file the reports?

Mr. MASON. He filed a memorandum which was in effect a refusal to turn out the data that I asked for.

Mr. DENSMORE. He did not furnish it for you?

Mr. MASON. He eventually furnished the memorandum which purported to give what I wanted; but it was so brief that it really stated nothing.

Mr. DENSMORE. What is Mr. Lynn's position in the Employment Service—Stanley B. Lynn.

Mr. MASON. At the present time he is a stenographer and typist.

Mr. DENSMORE. Have you known Mr. Lynn for a number of years, while employed in the Immigration Bureau?

Mr. MASON. Yes.

Mr. DENSMORE. State generally what Mr. Lynn's duties were, and what his general character was, and reputation as a clerk, or as employee.

Mr. MASON. When he was first appointed in the Bureau of Immigration he was a stenographer, and that was about the extent of his

ability at any time. He has always aspired to be chief or executive, but he has never been able or really qualified for a better position than a stenographer.

Mr. DENSMORE. And he had no authority to take the records which he produced here whatever?

Mr. MASON. None whatever.

Mr. DENSMORE. And they were under your jurisdiction?

Mr. MASON. Yes, sir.

Mr. DENSMORE. And did he apply to you for permission?

Mr. MASON. He did not.

Mr. DENSMORE. Or anyone else in the service?

Mr. MASON. No, sir.

Mr. DENSMORE. I think that is all for Mr. Burroughs and Mr. Lynn. I want to introduce Mr. Burroughs's resignation that he introduced yesterday and filed on the 5th and my letter to him of two days later separating him from the service. I just want to read one part. The impression was that he resigned.

Senator KENYON. His letter is already in, is it not?

The CHAIRMAN. No.

Senator KENYON. If your letter goes in, then in justice his ought to go in.

The CHAIRMAN. Let them both go in.

(The two letters above referred to are here printed in the record in full, as follows:)

UNITED STATES DEPARTMENT OF LABOR.

Washington, May 5, 1919.

(Personal.)

Mr. J. B. DENSMORE,

Director General United States Employment Service,

Washington, D. C.

DEAR SIR: I herewith tender my resignation, effective May 15. I regret very much to leave the service with the transportation in the condition that it is, but it is absolutely useless for anyone to attempt to straighten out the entanglement under the antagonistic supervision that has existed since the early part of December.

I am fully aware of all the misrepresentations that have been made to you by those ignorant of the enormous detail attached to this work. The entanglement has been caused by not acquainting the employees of this service as to how transportation should be issued. I will give you a brief outline of the difficulties that I have experienced since entering this service, that no one can discredit unless they make false statements, which it appears they have been accustomed to doing.

Prior to my entering this service I was in the general office of a railroad company for the past 20 years as division chief in charge of accounts, also handling Government transportation issued by all branches of the service, at a salary of \$2,700 per year.

I was sought by one of the officials of this service to accept the position as assistant transportation clerk, which I did, at a very much less salary than that mentioned above. I entered upon such duties on August 1.

After carefully going over the situation I found that there had been no instructions issued and that transportation was being irregularly issued. I immediately proceeded to draft a general letter of instruction, which received the approval of those that were interested. This proposed letter was held up by one of the officials who had previously approved it, and my repeated efforts for action were fruitless. In the meantime transportation requests were being issued, and a great majority of them covering no charge and many of the charges incorrect.

In the middle of December I was taken sick with influenza, during which time Mr. Steward entered my office, making inquiries concerning expense vouchers that were referred to this office, so that transportation could be deducted and proper charges noted on the memorandum copies. There was

some accumulation of vouchers at that time, due to not having the memorandum copies of the transportation requests. Ignorance of the duties of this office caused him to make a remark very unbecoming of an official. When I confronted him with it he made an effort to lie out of it, which he thought he had successfully done. However, I continued to appeal to him for assistance, informing him each time of the importance of clearing up the transportation, and if it were not, that this service would be responsible for a great amount of it. I then received the assistance of Mr. Mellon for a short time, but he was only able to do a certain amount of work, not having other assistance to enable us to go on with it in a satisfactory manner.

He, with the balance of those in the office, was dismissed without a day's notice. Later on there were three clerks of this service, without any knowledge of the work, assigned to me. With them and the return of Mr. Mellon and other necessary help there could have been considerable accomplished. Mr. Mellon was not permitted to return at that time.

Mr. Mason, upon assuming the duties of the Director of the Control Division, sent for me to come to his office for the purpose of talking over conditions. He informed me that he was aware that I had not gotten along very well with the Control Division. He assured me that he would heartily cooperate in every respect so that this work could be advanced as rapidly as possible. I accepted his remarks, which I considered to have been in good faith, but I have now discovered that he possesses the same small qualifications as his predecessor.

I am frank in saying that this is my first experience in being associated with men of so little ability and principle. They are simply bluffing their game through.

For your information, this transportation is in very bad condition, and it is very different from any other class of transportation that has been issued, and it will require some one that is very familiar with it to finally clear it up. If not, this service will be paying a very large amount that it should not pay.

I am loathe to complain or criticize, but being aware of the misrepresentations to you I feel that in justice to myself I should explain the situation.

C. H. BURROUGHS,
Chief Transportation Section.

MAY 7, 1919.

Mr. C. H. BURROUGHS,
*United States Employment Service,
Washington, D. C.*

DEAR SIR: Pursuant to your resignation, dated May 5, recommendation is being made to the department for its acceptance, effective at the close of business on May 15, 1919.

As some one else must assume the responsibility for the continuance of the work you are now doing, it is thought advisable to relieve you from duty at once, and annual leave to cover the period up to and including May 15 will also be recommended to the department.

Very truly, yours,

J. B. DENSMORE, *Director General.*

Mr. DENSMORE. If I may now, I want to pass to another thing. I show here that he wanted to resign on the 15th. When I discovered what the situation was I had him leave on the 7th, and there is the letter, which I have just put in, in regard to that.

Mr. GOULD. He said something about his being paid up to the 15th. Is that a fact?

Mr. DENSMORE. I presume that he was.

Mr. GOULD. Is that the custom?

Mr. DENSMORE. Yes; I think so. He was tendered his annual leave.

Mr. GOULD. That would be equivalent to the two weeks of his annual leave?

Mr. DENSMORE. Yes. Now, there are a number of other things about politics and inefficiency, and so on. Mr. Lynn stated that there were between 30 and 50 people employed there at \$4,000 a year. As

a matter of fact, there are only 2, and there have never been more than 6 or 7, and they could have earned twice that much outside.

Now I want to go on with the other expense account. That was an official trip that Miss Jeannette V. Densmore took when she went through the West. She was officially detailed by Mrs. Neale, and as Mrs. Neale had never been out in the States to examine the work, the women's work, and as Miss Densmore had been, she was sent out to do that work, as she was setting up out there several hundred women's divisions throughout the United States. Miss Densmore was sent throughout the country, examining, setting up, and perfecting different arrangements necessary for the establishment of the women's divisions. Miss Densmore had been in the West and Mrs. Neale detailed her there. She went into several States in the West, and in her expense filed she was allowed the per diem of \$4 per day. She could have filed the expense account every month, but not any of them know any too much about the regulations, and when she came back she filed six expense accounts for the whole trip altogether for the entire time she was out and it made it look big.

Senator KENYON. What does that cover?

Mr. DENSMORE. That covers her expenses.

Senator KENYON. It does not cover tips, that per diem of \$4 a day?

Mr. DENSMORE. No; it is expenses, hotel bills, and so on. It is subsistence.

Senator KENYON. Subsistence, you say?

Mr. DENSMORE. Yes.

Senator KENYON. Well, you can not subsist without tips.

Mr. DENSMORE. And you can not subsist on \$4 a day.

Senator KENYON. You do not know if that is a part of the subsistence? What is subsistence, anyway?

Mr. DENSMORE. Subsistence covers meals and lodging.

Senator KENYON. Hotels and meals.

Mr. DENSMORE. Yes. And I will defy anybody to live on \$4 a day, paying for three meals and a room at a hotel. She only collected \$4 a day.

Now, the point is that an expense voucher ought to be put in every month, and she put in an expense account of \$700 for the entire five months. Had it been put in every month it would only have amounted to a little over a hundred dollars a month. Mr. Blanton has stated that she had an automobile. He said she had an automobile from Missoula to Polson. He said that she had charged an automobile in her expenses, \$5, and while we have had no opportunity to look at it at all, I do know that she was in Missoula, Mont., where we have an office, and visited the offices in Montana, and visited and supervised the office in Missoula, and from there she went to the next place, which was at Kalispell, Mont.

Now, gentlemen, just let me call your attention to this, that she traveled by the most direct route from Missoula to Kalispell. That route involved, not an automobile, but an autostage, not an automobile, as Mr. Blanton stated, and the expense voucher itemizes it as "autostage" and not automobile. The voucher also shows the authority for the autostage. I have been on that stage line myself many times when I lived in Polson, Mont., the point that was testified to as being her home. It is not her home. It has not been her home for three years. She has no home there.

The CHAIRMAN. Does her mother live there?

Mr. DENSMORE. No, sir. Her mother does not live there. We have no relatives living there at all, and have not had for years.

Senator KENYON. Did she go to this place and visit at her old home?

Mr. DENSMORE. No; she had to go through that place in order to get to Kalispell.

Senator KENYON. The impression was left that she charged for going to the place to visit her old home, when you say it was necessary for her to go through that place in order to go to her destination?

Mr. DENSMORE. Yes, sir; she had to go through there in order to get to Kalispell. It is a 35 miles trip across the Flathead Indian Reservation, and at Polson you have a boat line that runs across the Flathead Lake to Kalispell. You have a stage line and a boat line from the main line of the Great Northern, Missoula, which is on the Northern Pacific, to Kalispell, on the Great Northern.

The CHAIRMAN. Suppose she had taken the railroad, how much farther would she have had to have gone than she did by taking the stage line?

Mr. DENSMORE. Oh, if she took the lines to get there the quickest, she would have had to go—she might have gone up over there close to the Idaho line in Montana, at a place called Dixon, and there she probably would have had to wait for a little stub line that runs over with a freight and combination once a day to Polson. I do not know whether it was running at that time or not. It had just recently been built, but the route that anybody would travel——

The CHAIRMAN. The most frequently traveled route?

Mr. DENSMORE. It would be by railroad up to Sand Point, Idaho, nearly up to Spokane, to connect with the Great Northern, and then back to Columbia Falls, and from there to Kalispell, five or six hundred miles.

The CHAIRMAN. And it would have cost more than five times that amount, would it not?

Mr. DENSMORE. It would have cost vastly more, and you know the character of the automobiles. It is an autostage, just a big stagecoach, very much like the old Concord stagecoach, only run by gas.

The CHAIRMAN. Then it was a matter of economy, both in time and expense?

Mr. DENSMORE. It was.

The CHAIRMAN. In going the way she did?

Mr. DENSMORE. It was. I would take that route myself, and anybody else would. That was an official trip, and it was authorized, and she filed reports with the service with regard to the organization of the office, and the conduct of the officers and the personnel, and reported to Mrs. Neale in every place, every place that she was. And she was out officially—yes, sir; and the unfortunate part in this controversy was that she happens to have been my sister. I just want to say in her defense, although she is my sister, that the officers of this service, not me at all, have testified to her executive ability in this important line of work.

The CHAIRMAN. She held other offices before she held this one, didn't she?

Mr. DENSMORE. Indeed she has.

The CHAIRMAN. Is her expense bill here?

Mr. DENSMORE. Yes, sir.

The CHAIRMAN. Have you filed it in connection with your testimony?

Mr. DENSMORE. It was filed by Mr. Blanton. Is there any other thing that the committee would like to know? It has been said that people were unable to be hired unless they joined the union.

Mr. ZIHLMAN. How about Mr. Stewart, who is president of the Federal Employees' Union, who is on your pay roll at \$3,500; I think that has a very important relation to the bill.

Mr. DENSMORE. The charge was that Mr. Stewart was employed in the office by us, and Mr. Stewart was director of the Control Division before Mr. Mason. He was originally an organizer of the service. I had him transferred from the Immigration Bureau, where he was getting \$2,750 per year. I had him doing some organizing in the various offices in various cities during the early part of last year, and his official station was at Kansas City, and he was, of course, on a per diem, and he was perfectly entitled to it. When his official station was fixed in Washington his per diem ceased. His salary was \$3,500, and if he drew anything from the Employees' Union I did not know anything about it. I would say that I would not approve of it.

Mr. ZIHLMAN. You would not think that a man, president of a labor organization, could render \$3,500 worth of service to the Government at the same time?

Mr. DENSMORE. Let me point out the fact that Mr. Stewart has not been president of that union until recently, and he has been out of our service since the 1st of April. He was only acting president when he was in our service; but he rendered service just the same as any of us, and that was about 16 hours a day in the office, and I know that, because his office was just beside my own. I want to say that he is an extremely capable officer. He was one of the executives of the Ellis Island Immigration Station before he was transferred to Kansas City. I was instrumental in getting his transfer, because he had finished a law course in New York, and he was anxious to get out of the Government service.

Mr. HERSEY. Where is he now?

Mr. DENSMORE. He is in Washington, and is devoting all of his time to the union. He is president of the union now. Of course, if his activities in regard to the union, as an officer of the union, interfered in any way with his duties that he performed for us, I should have taken some action. At the time Mr. Stewart went on as president of the union, to devote his time to it, he voluntarily resigned so that he could devote all of his time to it. At the time, before March 1, we had about 500 employees in our administrative office, and nearly 5,000 in the field.

The CHAIRMAN. What do you mean by administrative office?

Mr. DENSMORE. Our Washington office. We had 500 employees there, and 87 were members of the employees' union at the office. We have at the present time 47 members of the Employees Union, or those who have said they would join, and many of them have not gone in, but this statement I will put in as members of the union, and 73 who are not.

Mr. NOLAN. There is no regulation against them joining a union, is there?

Mr. DENSMORE. There is not. As far as the Department of Labor is concerned, the statement of the American Federation of Labor shows that it ranks fourth.

The CHAIRMAN. Do you belong to the union?

Mr. DENSMORE. I do not; and I do not think there is one of the executive officers who does. Mr. Smyth, Mr. Hall, Mr. Skinner, or any of the others. I think the Employees Union, that its value is for the clerks. I am not passing upon the value of it at all, but it is for the clerks.

The CHAIRMAN. You pay no attention to that; that is outside of the organization, is it?

Mr. DENSMORE. Certainly.

The CHAIRMAN. How about the wages. They say that you have some that have been paid \$6,000 a year down there?

Mr. DENSMORE. There is only one at \$6,000 a year, and I think, perhaps, he might have been overpaid. That is myself. Mr. Smyth was the assistant director general—

The CHAIRMAN. Do you get \$6,000 now?

Mr. DENSMORE. No; I recommended a reduction of \$1,000 in my own salary, and everyone of the officers recommended a reduction in their own salaries, and they were opposed by the Secretary.

Mr. ZIHLMAN. Mr. Stewart was not the actual president, but only the acting president while he was in the employ of your Employment Service.

Mr. DENSMORE. He was the acting president while he was in the employment of the Employment Service; yes, sir.

Senator KENYON. When did you have the highest number of employees? When was the peak that?

Mr. DENSMORE. Sometime perhaps about the time the armistice was signed.

Senator KENYON. Did you ever have any lawyers employed over there in your department?

Mr. DENSMORE. I really do not know. I do not know the politics of the gentlemen except my own intimate executive associates. Most of them are young fellows there who go to the law school—some of them do.

Senator KENYON. I heard it charged that there are a good many politicians who have been put in office over there. Have you some ex-Congressman from Indiana, who is a lawyer, in your department?

Mr. DENSMORE. Not that I know of. Not in the Employment Service. There is no ex-Congressman in the Employment Service.

Senator KENYON. Have you had politicians sent down there by any other branches of the Government, and asked you to take care of them?

Mr. DENSMORE. No; I do not think so. I will say, gentlemen, to my very great surprise, there was very little political urging on us, because our employees were all excepted by the Executive order of the President from the civil service, and we could have hired anybody we wanted to. I could have made it, as a Democrat, a Democratic organization just as easy as anything—but, as a matter of fact, it was a Republican organization in the majorities of the States, and I will say this, that I was surprised that it was so free from political urging for appointments, and I have had some experience in the departments for the last six years.

When I was first appointed by President Wilson as solicitor in 1913 of the Labor Department, and by Executive order of the President made Acting Secretary of the department and continued so for five years. I had vast experience with political urging for constituents there, to get something done for them, and I want to say that I do not think that I have received more letters for any one particular person employed in the department, either to increase his salary, or to help him out, than I have from Congressmen for Stanley Lynn, who appeared before you, and he stated here that the trouble was that Congressmen and Senators could not get any influence with the Director General. He has started. He has had a number of Congressmen—had a number of my friends in Congress write me letters, contrary to the civil service law, which provides for the dismissal of anyone doing that.

Senator KENYON. He claims that he could not get a hearing.

Mr. DENSMORE. He claims lots of things, and he has been to me repeatedly when I was acting secretary to get him something that he was not entitled to.

Senator KENYON. I think it is to your credit that you were not influenced by Members of Congress.

Mr. ZIHLMAN. You appointed a gentleman from my State by the name of U. A. McMullin in the Training and Dilution Service. What is his business?

Mr. DENSMORE. I have nothing to do with the Training and Dilution Service. That was a separate service under Mr. Charles Clayton.

Mr. ZIHLMAN. That does not come under the Employment Service?

Mr. DENSMORE. No, sir.

Senator KENYON. Did you hear the statement by Mr. Le Prohon about transferring men?

Mr. DENSMORE. Yes, sir.

Senator KENYON. And that the department claimed credit for placing certain men which were placed through private agencies?

Mr. DENSMORE. Yes, sir.

Senator KENYON. Can you enlighten us about that?

Mr. DENSMORE. I can generally deny it, except that some of the men went through our offices and were registered with our cards. If the men that were employed and recruited for the Atlantic Loading Co.—and I think I can give this committee records where we recruited hundreds of men for them—if they were recruited by us and by our authority, and by some recruiting scouts, they went through our office, and we had to supervise the recruiting of everybody, whether it was done by the recruiting scouts or not, and it was our job to see that they did it and not let them take them away from another plant, and that is what he wanted to do.

Senator KENYON. Do you care to discuss this bill?

The CHAIRMAN. After we have the hearing here to-day we will have witnesses on the bill.

Senator KENYON. Are you going to discuss it for us?

Mr. DENSMORE. I would be very glad to, Senator.

The CHAIRMAN. We have got to adjourn and go to the House. We have a matter coming up over there, and it will have to be on another day.

Mr. DENSMORE. If there is need, Mr. Chairman. Of course I appreciate that this is the thing you are interested in. I am interested in the Government having an employment service, and I appreciate that you Members can not have the personal interest in it that I have in it and that you can not have the interest in me that I have in myself.

I have been in an executive position for six years, appointed by the President. I was appointed on the recommendation of Attorney General McReynolds as the Secretary of Labor, and I was confirmed by the United States Senate. I was in an executive position of high character, and I want to say that I enjoyed the confidence of practically every Member of the United States Senate and the House of Representatives, and I know that you gentlemen will appreciate very much how I must feel personally when I am personally attacked and charged as I have been here—maliciously and wantonly, with no foundation of fact.

Senator KENYON. And we are trying to clear it for you, Mr. Densmore.

Mr. DENSMORE. I know that you are, Senator Kenyon. What I am interested in is this: I want you gentlemen to get as much of that as you want to, but I want you to keep in mind that I am personally interested, and if the committee is satisfied that all the charges have been answered then I am satisfied. I do not want to give you anything more than you want.

Senator KENYON. We would like to hear from you in the future about the bill.

Mr. DENSMORE. I will be glad to do that.

The CHAIRMAN. Will you leave with the stenographer that copy of the expense account of Miss Densmore?

Mr. DENSMORE. I will.

The CHAIRMAN. And the stenographer may have it inserted in the record immediately after the adjournment this date.

(Thereupon, at 11.40 o'clock a. m., the hearing was adjourned until the following day, June 28, 1919, at 10 o'clock a. m.)

(The expense account of Miss Jeanette V. Densmore, above referred to, is here printed in the record in full, as follows:)

VOUCHER FOR SALARY, PER DIEM, AND TRAVELING EXPENSES.

[Appropriation: "War Emergency Employment Service 1919."]

The United States, to Jeanette V. Densmore, Dr.

Official station: New York City.

	Period of service.	Rate per day.	Amounts.
For services as clerk from July 4, 1913, to July 25, 1918, inclusive.	Days. 8	\$4.00	\$32.00
For per diem in lieu of subsistence July 5, 6, 21, 22, 23, 24, 25, 26.			
For reimbursement of traveling expenses during the month of July, 1918 (as shown within and by subvouchers annexed), under travel order No. 1103/2, or written authorization attached, 560/198.			3.43
Total.....			35.43

Examined by H. C. S. 8-26-18.

MEMORANDUM VOUCHER.

This statement must be prepared by the officer in charge of district and the sum of the items must be the same as the amount in which the voucher is submitted.

District No. Adm.
Voucher No. 2007.

Expenses of United States Employment Service:

Additional compensation----- \$32. 00
Traveling expenses----- 3. 43

Paid by check No. 5471, dated Aug. 29, 1918, for----- 35. 43

MEMORANDUM.

Character of expenditure:

July 4, 1918, left O. S. 3.30 p. m. for Atlantic City via Pennsylvania Railroad. \$1.25; L51736—
Pullman (cash fare paid, no war tax), check attached----- \$0. 98
Arrived Atlantic City 6.30 p. m. Pullman porter fee----- . 25
Transfer official baggage----- . 25
July 5, 1918, at Atlantic City (official detail).
July 6, 1918, at Atlantic City (official detail).
July 7, 1918, left Atlantic City for New York City O. S. at 9.15 a. m. via Pennsylvania Railroad; fare, \$1.25; L51737—
Pullman cash fare paid (no war tax)----- . 98
Arrived New York City O. S. 12.15 p. m. Pullman porter fee-- . 25
Transfer official baggage----- . 25
July 20, 1918, left New York City, O. S., for Washington, D. C., at 11.08 a. m. L48953; Pullman seat (check attached) L48954—
Arrived Washington, D. C., 6 p. m. Pullman porter fee----- . 25
Transfer official baggage----- . 25

On detail in Washington, D. C., up until July 27, which date official station was changed to same.

RECAPITULATION.

July 5, 6, 21, 22, 23, 24, 25, 26; 8 days at \$4 per diem----- \$32. 00

(Photograph of four Pullman checks omitted in printing.)

Memorandum of travel performed upon transportation requests.

Date of travel.	Transportation request No.	From—	To—	Via railroad.	Amount.
July 4	L 51736	New York City.....	Atlantic City.....	Pennsylvania.....	\$1. 25
7	L 51737	Atlantic City.....	New York City.....	do.....	1. 25
20	L 48953	New York City.....	Washington, D. C.....	do.....	1. 33
20	L 48954	Pullman, New York.....	do.....	do.....	.....

NATIONAL EMPLOYMENT SYSTEM.

SATURDAY, JUNE 28, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met pursuant to adjournment at 10 o'clock a. m. in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senator Kenyon, Representatives Smith (chairman), Nolan, Hersey, and MacCrate.

Also present: Miss Grace E. Cooke, secretary of the Massachusetts Technical and Employment Association; Henry Sterling, legislative representative American Federation of Labor.

The committee proceeded to a further consideration of the Senate bill (S. 11442), to provide for the establishment of a national employment system and for the cooperation with the States in the promotion of such system, and to regulate the expenditure of moneys that shall be appropriated for such purposes; and Senate bill (S. 688), to provide for a national employment system; and House bill (H. R. 4305), to provide for the establishment of a national employment system and for the cooperation of the States in the promotion of such system, and to regulate the expenditure of moneys that shall be appropriated for such purposes.

The CHAIRMAN. The committee will come to order. I believe that Miss Cooke desires to be heard this morning.

STATEMENT OF MISS GRACE E. COOKE, SECRETARY OF THE MASSACHUSETTS TECHNICAL AND EMPLOYMENT ASSOCIATION.

The CHAIRMAN. State your name and your business, Miss Cooke.

Miss COOKE. My name is Grace E. Cooke; I am secretary of the Massachusetts Technical and Commercial Employment Association—right here may I give you the objects of the association, because I feel that it may bear a great deal upon my testimony? The object or purpose of the association is for the investigation and study of industrial and economical conditions, for the consideration of the relations of employers and employees, and for the promotion of efficient methods of providing employment, for raising the standard of the employment agency business, for ample protection of its members against all practices and business methods inimical to the best business methods of the business, for information and protection in legislative matters, both State and Nation. That there may be no misunderstanding on the part of the committee, I want to

make it quite clear that we are an organization of so-called fee-charging agencies, and, while I officially represent only those in Massachusetts furnishing technical and commercial help, I shall attempt, if I may, to cover all lines of employment endeavor, as I believe these bills cover——

The CHAIRMAN (interrupting). Do you speak for the State bureaus of the State of Massachusetts?

Miss COOKE. Not for the State bureau, but for the private bureaus.

The CHAIRMAN. And you are opposed to the establishment of a free Federal employment bureau in the Department of Labor?

Miss COOKE. May I just explain? I realize that these hearings are held for the sole purpose of determining whether or not there is any necessity for the establishment of a Federal bureau or a Federal system——

The CHAIRMAN (interrupting). And you wish to oppose that, do you?

Miss COOKE. No; I do not. I want to make myself quite clear. The fee-charging agencies in Massachusetts, as well as many throughout the country—and I am speaking for them—do not oppose a Federal or a State system.

The CHAIRMAN. And how many States are you representing?

Miss COOKE. I am only representing Massachusetts, but I am a member of the national association, and I am well acquainted with the national members. While I can not speak for them officially, I speak for many of them from deductions which I have drawn through actual correspondence with them——

Mr. MACCRATE (interrupting). How many employment agencies do you represent as secretary?

Miss COOKE. There are only about 16 eligible for membership in a technical and commercial association outside of the teachers' branch, and they have an association of their own, but previous to the establishment of the commercial and technical association we had a Massachusetts association of employment agencies, which is still in existence, of which I was secretary, that had a membership of 70. While I officially represent only the technical and commercial offices, it will be quite necessary to cover all lines of employment endeavor, and while I am not officially sent here to represent the others, it is quite impossible for me, on account of the bills, to draw any line——

Mr. MACCRATE (interposing). And does not this national organization have officers of its own?

Miss COOKE. I am not representing——

Mr. MACCRATE (interrupting). You are stating here your deductions. Haven't they any officers of their own?

Miss COOKE. Yes, sir.

Mr. MACCRATE. In Washington here?

Miss COOKE. No; they have their headquarters in Chicago.

Mr. MACCRATE. And do you know whether they intend to come before the committee?

Miss COOKE. I do not think they do unless it seems necessary for them to do so. I am to report to them.

Senator KENYON. You have not any connection with them, have you?

Miss COOKE. Yes, sir; I have. I am a member, Senator Kenyon.

Senator KENYON. Why do they have—I think we had better have the name of the secretary of that organization put into the record.

Miss COOKE. I was elected secretary of that organization but I resigned, and at the meeting when my resignation was accepted it was decided that if I did not continue to act as secretary they would have no secretary, and they have none.

Senator KENYON. And you are familiar with the bill, and you are here to advise them if you think they should be heard?

Miss COOKE. I will advise them; yes, sir.

Senator KENYON. Proceed.

Miss COOKE. Mr. Chairman and gentlemen of the committee, I am going to attempt to keep myself within the borders of this subject, but I hope that I may, just for a few minutes, apparently wander.

In listening to the witnesses testify, it seemed to me that one of their principal reasons, if not the principal reason, for asking for a permanent system, or that a permanent service be established, was for the purpose of establishing a so-called clearance system. Now, I make the statement that we do not object to the continuance of the establishment of any service. I do want—

The CHAIRMAN (interposing). Neither do you favor it, as I understand you.

Miss COOKE. I would like to say that, personally, I would like to see established some permanent public employment system.

The CHAIRMAN. "Federal," do you mean by "public"?

Miss COOKE. Why, I am not prepared to say whether it should be Federal or State.

I do not know that I could testify without the committee feeling that I was an interested witness, and I would like, at the outset, that that be understood—I think probably before I get through I can make myself clear.

As to the clearance proposition, I do have objections—that is, if the clearance or clearing house that I have in mind becomes a reality. Now, the members of the committee probably look at this clearing house idea from a different standpoint and with a different vision than I do. I look at it from past experience, my own individual experience in the State of Massachusetts for the past 14 of 15 years.

In the first place, what is the object of the clearing house? What do they propose to clear? What agencies are to clear? What is going to be the result if such a clearing house is established as these bills provide? What will be the results to the employer, to the employee, and, last but not least, is there any demand, and if so, by whom?

May I here state that a few months ago, before the New York Assembly, a gentleman made the statement—I can not give you his name now; I have it; I can give it to you—but I know that it was some one who spoke from knowledge and someone who does not favor private or fee-charging agencies, so that I am sure his testimony was not in any way flavored with favoritism—he stated that the private or fee-charging agencies place 75 per cent of the people placed by the agencies in New York State. By "agencies" he referred to the United States Employment Service, the State, the municipal, the charitable, and the fee-charging offices. I do not understand that he referred to the agency conducted by the labor organization. I should include the typewriting exchanges. Whether

or not he had any basis for making that statement I do not know, but it caused me to do some thinking. I can not give you the actual figures—I believe it would be impossible to secure them—but I feel that I can safely state that the fee-charging agencies place at least 60 per cent, and I feel that I am making that a very reasonable figure.

The CHAIRMAN. How much do they charge?

Miss COOKE. That depends on the different State regulations. Different States have different charges.

The CHAIRMAN. What is the average fee?

Miss COOKE. With the labor agencies, or the unskilled agencies, the fee ranges from \$1 up to \$2; for the clerical and the professional agencies, which I am particularly interested in, their fee ranges from one week's pay—I mean aside from the teachers' agency—I think no agency charges more than 35 per cent of the first month's pay; and the agencies placing professional and clerical assistants generally gauge the amount by the salary, charging a certain per cent under \$100 a month, and a certain per cent over.

I am not speaking for the teachers' agencies, but I think I am safe in saying their charge is 5 per cent of the first year's salary. They have a registration fee. Some agencies do and some do not.

Now, I do not know just where I started, so that it may appear in the record—

Mr. NOLAN. Let me ask you, please, Miss Cooke, what are the fees in the commercial and technical agencies where they receive under \$100 a month?

Miss COOKE. They are different in the different States. In Massachusetts—may I give you Massachusetts?

Mr. NOLAN. Yes; in Massachusetts, in your own State.

Miss COOKE. Well, in Boston—I will give Boston, because Boston has all, with two exception, outside of the teachers' agencies, of the so-called technical and commercial agencies. There is one in Worcester and one in Springfield, Mass. To my knowledge there are no others outside of Boston. We have a State law under which we operate. The licensing board for the city of Boston, under whose jurisdiction I come, make the rules and regulations. They allow us an equivalent of one week's salary. We can not charge one week's salary if the position does not last at least six weeks. We have no registration fee.

Mr. NOLAN. This one week's salary for persons who are under \$100—

Miss COOKE. In Boston it is one week's salary, or one week's wage, regardless of what the applicant receives, but in most States throughout the country it is based on the salary received on a percentage basis.

Mr. NOLAN. You referred to six weeks; that it is not paid unless the applicant stays six weeks. Suppose the applicant only works three weeks. Under those circumstances, what is your fee?

Miss COOKE. The law allows one-half of the week. May I say that competition takes care of a temporary fee; that is, a fee for a temporary position.

The CHAIRMAN. When is the fee paid, in advance?

Miss COOKE. We never charge anything in advance. The average fee-charging agency in Boston divides it into six payments, one day's pay per week for six weeks. No applicant is forced to pay it in that time if it becomes a hardship upon him.

Now, going back to the statement made before the New York Assembly that 75 per cent of the placements are made through the fee-charging agencies, my statement was that I felt that I could conscientiously say that 60 per cent is made through the fee-charging agencies, while——

Mr. MACCRATE (interposing). Where do you get those figures? What is your authority? You understand, Miss Cooke, that a general statement that 60 per cent is placed through fee-charging agencies does not mean very much on a record like this. How many of the total places, if you know—how many of the total are placed by the United States Employment Service, how many by the State employment service, how many by the municipal employment service, and how many by the private fee-charging agencies? Let us have those figures so that we may make a deduction. You understand that unless you give us some figures we will not know very much about it.

Miss COOKE. My reason for giving those figures is—I am trying to get at some point that I will come to in just a few minutes—I will attempt to answer your question by saying until the State, Federal, and municipal offices define the word "placement," and define just what it is, it will be impossible to ever get those figures. Mr. Croxton, who should be considered an authority, gave you three definitions of placements, if I recall rightly. The fee-charging agency has but one definition. We never consider or we never credit a man or a woman as being placed until he or she actually enters the employment and we know that he or she is actually working.

Mr. MACCRATE. And do you think that the Federal Employment Service uses a different standard?

Miss COOKE. I am quoting Mr. Croxton. He gave three definitions, if I recall distinctly. The fee-charging agencies will tell you—I know from my actual experience in my own office, aside from the experience I have had as secretary for the past few years, that 15 per cent of the average agency's placements, or 15 per cent of the people reported placed, never report for work. The professional and commercial offices' percentages is necessarily lower than that of the offices placing average help. Then we have others who report and remain there a half a day, but I do not consider those placements——

Mr. MACCRATE (interrupting). The Federal Employment Service reports placements of 5,000,000 during the existence of the service——

Miss COOKE. Well, I could not adopt their figures because I do not know——

Mr. MACCRATE (interrupting). Four million and some hundred. So that if that is 25 per cent of the total then there would be about 12,000,000 placed by the private employment agencies during the same period.

Miss COOKE. No; I attempted to tell you when I started out that I could not give you the actual figures——

Mr. MACCRATE (interrupting). But you say that 25 per cent——

Miss COOKE (interrupting). I am trying to lead up to the clearing house and just what part the fee-charging agency will play in the clearing house. I want to answer your question, but I will not answer it by guessing in any way, and I regret that the little ex-

perience I have had in 15 years has been such as to teach me that anyone can make figures which look well on paper. I am not criticizing the Federal system or their intentions or any individuals. I want you to understand that.

Mr. MACCRATE. As a committee of the House and the Senate we are sitting here for the purpose of securing evidence for or against the service. We are looking for the facts, and if we are going to quote your statement on the floor of the House someone will ask us, "How do you arrive at that 60 per cent?" Then we will have to say that a young lady from Massachusetts made that statement.

Miss COOKE. I think I supplemented my statement by saying that I had no figures to substantiate it. I might cover sheet after sheet with figures, and it would be impossible for anyone to disprove them, and yet they would be actually worthless.

Mr. MACCRATE. You may proceed. I just wanted to get that information if I could.

Miss COOKE. Now, you asked the question the other day, if I recall correctly, of Mr. Croxton, whether or not to his knowledge the labor bureaus or agencies conducted by the labor organizations intended to clear in this system. I do not think that he answered the question. I can not find in his testimony that he did. I do not mean that he did not intend to. If you asked me that question, for Massachusetts, I should answer you "No." If you ask me why I answer you that way, I should say because I have been told so by the labor representatives in our State; the legislative committee in the State have been told so by the representatives of the American Federation of Labor.

Now, if the fee-charging agencies are not going to clear in this system, thus eliminating 60 per cent—I quote that figure to give you a general idea only—if the fee-charging agencies are not going to be asked to clear, the bureaus conducted by the labor organizations are not going to clear, what bureaus are going to clear?

Now, right here, may I make myself perfectly clear as to my feeling, or our organization's feeling, toward the American Federation of Labor? I am going to apparently offer some criticism. I do so—that is, at least, I hope I do so, in a constructive way; and in speaking of the American Federation of Labor I am not speaking of the masses that make up that organization, but of the machinery.

I want to say that I recognize the right of men and women to organize, and I realize that had not there been some such organization we should probably have a system of servitude in this country of which we might well be ashamed. I do not want to leave the thought in the minds of this committee that I have any antagonistic feeling toward them at all. I have not, gentlemen.

Now, we have gone through in Massachusetts, for 15 years, a continued fight every year in our legislature—that is, the fee-charging agencies have—to keep out of this clearing-house system. Don't understand me that we object to giving any statistical data that is of any value or is in any way helpful to the employer or the employee or the general public, because we do not. The organization that I represent, I can say, is a clearing house for information. The employer and employees are constantly calling us up. They ask, "Have you this labor report?" Or "Can you tell me this or that?" We hope to broaden our scope; we want to do that; it is not only interesting but it is very helpful. We do not object to giving anything

of a helpful nature or any statistics that are in any way beneficial. What do we object to? I want to tell you. We object to giving the confidential business intrusted to us by the employers; we object to giving that into anyone's hands that may eventually lead to the machinery of the American Federation of Labor.

Now, Mr. Le Prohon, who testified here the other day, the employment manager—

Mr. HERSEY. Do you believe that this Federal Employment Service, if it is established, will be controlled by the American Federation of Labor?

Miss COOKE. I do not say that it would. I say, Mr. Le Prohon stated here the other day that one of the features—that one of the successful features of the fee-charging agency was when an applicant was sent out for employment he was told where he was going, how far it was from the railroad station, what he would receive, hours, conditions; in other words, he was given a detailed description of the position for which he was applying. Now, if any fee-charging agency does not do that, it can not successfully compete with its competitors. If the Federal service is going to compete with the fee-charging agencies, it must do likewise or its life is short.

Let me give you an illustration: If you are an employer, a manufacturer, or engaged in some line of industry, and are patronizing a fee-charging agency, in order to get good service—and you demand that—you must necessarily give the fee-charging agency a detailed description of the conditions, etc., of your business; or, rather, of the department in which the men are to be employed. Unless you are very different from the average employer, there is quite a bit of matter that is of a confidential nature.

Mr. HERSEY. I will say, madam, that I can not understand that. I am an employer of labor, you say, engaged in an industry, and I apply to your agency or some other agency, or a Federal agency, for a clerk or a stenographer, or a bookkeeper, or a manager, or a salesman, or for any help I want. Am I obliged to disclose anything further than my wants?

Miss COOKE. It is not absolutely necessary; but, being in employment-agency business and having been engaged in the business for quite a number of years, I know that the better description you give of your requirements the better service you received; and there are many, many, many industries that in giving their wants go into matters of a confidential nature.

Mr. MACCRATE. Suppose there was contemplated in a factory or a plant a strike, and they would call you up and say to you, "We want next week 300 men, and we think that there is a possibility of a strike, or we will lay these men off, and we are going to have a general lay-off next Saturday and we want those men for Monday morning." That would be confidential, do you say?

Miss COOKE. That would be one way, yes; but there is another.

Mr. MACCRATE. And you fear that the Federal Employment Service, if it were established, would make you disclose that confidential information to them?

Miss COOKE. Yes.

Mr. MACCRATE. And do you not believe that you ought to be compelled to do that?

Miss COOKE. We should not do it, and we could not do it. We should not have any business if we did, because the employer would cease to patronize us.

Now, coming back again to the American Federation of Labor. I feel that I have a little insight into human nature, consideration that it is human nature that the employment agencies deal with every day. Now, if there is the intent, and it is the intent that I am going to try to deal with, on the part of a certain labor organization to cripple a certain industry—we have got to admit that there is such a thing as prejudice toward this company or the other company—I am not saying that they do or do not have reason, but they become prejudiced—when they have an opportunity to make it just as hard as possible for that company, they do it. Now, what better way is there for them than to know just where the company is weakest? If the company is short, or if it looks as if in the near future they are going to be short of a certain number of men in a certain department—perhaps they have a big contract ahead, perhaps they have a contract up into the millions of dollars, and are going to need men to meet the situation. They go to the private agency and they tell us the condition, and they say to us, “Be on the lookout for this and be on the lookout for that.” This does not necessarily mean that a strike is going to occur—we do not like to think that.

Now, if there is a feeling of prejudice or unpleasantness, justified or unjustified—I am trying to leave that out—what greater opportunity is there for the labor organizer, if he chooses—I do not say that he will—to call a strike in some department. I am trying to show you what may creep in; and in considering this bill I am trying to present a condition which may occur if you do not provide for that emergency.

Mr. MACCRATE. That is to say, if a certain line of industry in this country will begin to get generally busy at the same time, and a certain factory should say “We want 100 men in that industry,” there is an opportunity to play favorites and to send 100 men to one plant and to keep them from going to another. Is that what you mean?

Miss COOKE. No. I feel that I am laboring under difficulties in endeavoring to make myself understood.

Mr. MACCRATE. But we want you to be at perfect ease, and of course we want to be at ease, and we want you to feel at ease about this thing, but I am trying to get your point of view in order that the legislation, if we see fit, may conform to your point of view.

Miss COOKE. And I do not want it to appear that I am speaking in this way from any feeling of prejudice, because I am not.

Mr. MACCRATE. And I am not assuming that you are prejudiced, Miss Cooke, but I know that you represent a particular branch, and of course—

Miss COOKE (interrupting). And that is just the story that would tend to give the committee the feeling that I am prejudiced. This is one example. You realize that, as a rule, on contract work, a company stipulates that it will finish the contract within a certain length of time. If this is not lived up to there is going to be a great loss, they forfeit so much each day. Now, if the machinery or the agents of the Federation of Labor think the labor in any department has a real grievance, or an imaginary grievance, it does not matter

which, against that company, naturally it is human nature for them to strike at the weakest point in order to cripple that company. Now, if the man at the head of that company says "I am short in this department," or "I am short in that department," or "I am short in another department," "I have got to build this one," or "I have got to build the other one up, now it is a good time on my part to look ahead for my men," he will go to a fee-charging agency and leave it entirely with the employment agent whom he patronizes. Now, if fee-charging agencies were obliged to clear in this clearing house, they are going to clear into the hands of the Department of Labor, which, I believe, I can successfully show will be open to the American Federation of Labor. The fact that this man is going to be short in this department, or the fact that this man is going to be short in that department, or the fact that he is going to be short in the other one, is going to give the labor unions an opportunity to cripple, he will lose an enormous amount of money if he does not get that help. What is there to stop this disgruntled labor leader—and do not misunderstand me, for I know they are not all disgruntled, but what is there to stop him from saying "We will declare a strike in this department," or "We will declare a strike in that department," or "We will declare a strike in the other department," and what opportunity is there for him to get his work out with a strike on?

Mr. NOLAN. Miss Cooke, will you try, if you can, to point out to the committee any authority in this bill that made the United States Employment Service authority over the private employment company?

Miss COOKE. Yes, I will. You may say that I am taking a long road to look for trouble. Now, take section 8 of the bill, which states that it shall be within the province of the Secretary of Labor to make or promulgate rules and regulations which in his judgment are necessary to carry out the provisions of this act.

Mr. NOLAN. You do not seem to get the idea.

Mr. MACCRATE. Yes; I think she is on the way to answering.

Mr. HERSEY. I think she is.

Mr. NOLAN. Just let me conduct my own examination, please. I want to find out where we have, as a Congress, any right to regulate the employment agencies of the several States?

Miss COOKE. Just a minute and I will answer you. If I understand you correctly—and it was gone over at some length here with Mr. Smythe, I believe—the States, the respective States, can only receive their proportional part of this Federal fund by agreeing to accept the rules and regulations promulgated by the Department of Labor. It would be foolish for me to attempt to tell you gentlemen or to ask you gentlemen the question whether or not that evades the sovereign right of the States. I should say that the American Federation of Labor has determined in the State of Massachusetts that the private agencies shall clear in its clearing house. You ask me, "How do I know it is the American Federation of Labor?" I answer, "From the simple fact that it is the American Federation of Labor that has introduced that bill, year after year, year after year."

Now, I contend that if you are going to have a clearing house and it is going to be successful, the fee-charging agencies and the bureaus

run by the respective unions must clear through that clearing house, and then you have got the majority clearing and not the minority.

Now, you may say, "Do not put it into their minds." I have not put it into their minds. They have told me this over and over again.

Mr. NOLAN. But you still do not answer my question. Where is there any authority conferred, or wherein has Congress any authority, to delegate to the Secretary of Labor the right to regulate, even under the authority conferred in this act, any private agency in any State of the Union?

Miss COOKE. You have delegated him the right to regulate the State offices in order to secure the allotment of this public fund. Now, there is nothing to prevent him saying, in all sincerity, after it gets started, "Why, what have we got? We have got the minority. We have got to have the majority if it is going to be successful. Now get busy in your State."

Mr. MACCRATE. May I ask a question that will bring that out? Do you feel that the power given to the Secretary of Labor to lay down rules and regulations for the government of State offices may result in the promulgating of a rule requiring that the fee-charging employment agencies shall clear through the State before the State can get the appropriation?

Miss COOKE. I do; and I am giving that opinion as the result of 15 years of actual experience.

Mr. MACCRATE. You believe that that power there is rather broad and under that power he may make your fee-charging agency come within the jurisdiction of the State before the State gets an appropriation?

Miss COOKE. I believe that.

Mr. MACCRATE. I would say that I was formerly of that opinion, but that has been changed—

Miss COOKE. But you have not had the experience. You would not be expected to see it. Let me cite to you a certain condition that existed from the 1st day of August until the time the armistice was signed. Now, I am not citing it with any spirit of criticism at all. I am trying to show you a condition that existed, and which was an outrage, whether intentionally or unintentionally does not alter the case.

On the 1st day of August, 1918, as the result of rules promulgated by the Department of Labor, every employer employing 100 men or over engaged directly or indirectly in war work or engaged in the manufacture of essentials—and, by the way, it was very hard to draw the line—must recruit through the Federal Employment Service, with one alternative, and that was his gate. Railroads and mines were excluded. I will tell you later why railroads were excluded. Now, the Secretary of Labor, Mr. Wilson, told you—if you do not recall it, I will read it—that the Department of Labor issued an order to the Federal Employment Service prohibiting their furnishing men in case of any strike. Now, what do we have or what did we have? This is what we had: The Department of Labor said to every employer hiring 100 men or over engaged in essential work, "You must give the men in your employ what they ask in the way of hours, conditions, or pay or go without." Now, what else did he say? "If you do not give them what they ask for, you must close down. You can hire men if they come to your gate only."

Now, gentlemen, if you have been within half a mile of a strike, you know how near a man can get to a gate. That condition was deplorable. I do not say that it was the intention on the part of the Secretary of Labor, but I do say the opportunity presented itself, and he took advantage of it. Now, some one may ask me the question if there was not a provisional rule in whereby a man might go to the department, to his State director, and get permission to recruit privately. I never knew of anybody that got permission to recruit privately. I knew any number that could not or did not get it.

Mr. MACCRATE. And did you hear Mr. Croxton, from Ohio, make the statement that he did not agree with the regulation of the Secretary of Labor in that regard?

Miss COOKE. That may be, and I do not think any right-minded man would, but that is the idea of the Secretary of Labor.

Mr. MACCRATE. In order that we may get the other point of view, have you stopped to consider whether or not if we had a Secretary of Labor who was antagonistic to union labor and he was in charge of the Employment Service whether or not he would use the Employment Service against the labor unions?

Miss COOKE. Why, that might be possible, but at the present time—

Mr. MACCRATE (interrupting). For instance, a Secretary of Labor that would furnish or direct his Employment Service to furnish men to striking plants.

Miss COOKE. I do not see—let me make myself clear if I can—I do not say that the stand he took was not right. He says that he must be neutral. I am not questioning his position. It is not for me to do that; but—perhaps I do not make myself clear—but there is such a conflict—

Mr. MACCRATE. Yes; you do make yourself clear.

Miss COOKE. The whole thing is so complexed and interwoven that to sit down and take each string and unwind it would take two or three days, and I am trying to utilize the little time I have before your committee to show just what the condition is.

Mr. MACCRATE. We are going to allow you to take all of the time you want. I want to get this straight in my own mind. You have been stating all along that the American Federation of Labor can control the labor situation in plants under this system—

Miss COOKE (interrupting). I say that there is a great possibility of that.

Mr. MACCRATE. Now, if, on the other hand, stop to think, if this is adopted it might be used very much against the American Federation of Labor, providing the people in charge of the Department of Labor were not in sympathy with the American Federation of Labor.

Miss COOKE. Well, I can not say that I know enough about the real functions of the Department of Labor. It would seem to me—mind you, this is not a criticism of the present Secretary; understand me, I do not want it to appear so. It would seem to me that the right man in that position should be a man that was unbiased; a man that would not have any tendencies one way or the other—but does not the very nature of that position almost necessitate; I do not know that it does, and I am asking you—does not the very nature of that department almost necessitate that it be a man that

would be influenced by labor, or may I say would have the labor side at heart? Now, I may be wrong. I do not know. But my reason would tell me that that might be the case. I know that my testimony is broken and that it will not look very well on paper.

There is just another point here. These bills attempt to cover—I say “they attempt to cover,” because the United States Employment Service admitted that they intended, and I understand will, continue to cover all lines of employment. Now, that covers the unskilled men, the juvenile portions, the clerical portion, the professional men, and the teachers. Just how far should the Department of Labor function in this case? Are you going to draw a line and say that only the skilled and unskilled labor shall be cleared, or the class that would seemingly come under the jurisdiction of the Department of Labor, or are you going to clear the clerical, the professional, and the technical lines? If you are, is the Department of Labor the place for it?

Now, when we used to speak of the American Federation of Labor or the labor organization we used to think of this organization as being made up of the skilled and the unskilled and the semi-skilled, but we can not think of it in this connection any longer. It has practically taken in every line. It has taken in the teachers. Last January the International Federation of Draftmen's Union was formed and had its meetings here in Washington. Now, I am familiar with that, because my particular line of business is professional engineering, and I come in contact with the draftsmen, and I know just how deep it is getting in. Now, of course if it is the intent of the American Federation of Labor to organize until that chain links, why, then, it may well be placed under the Department of Labor. But I do not think that the Department of Labor is the place to clear information concerning clerical, professional, and technical help.

Then, even though—as Mr. Nolan has brought up the point—even though there was no possible way to force the private agencies to clear, which I do not agree with, for I believe that there is, and experience is the best teacher, and Mr. Sterling in this room will tell you that I know something about it, inasmuch as I have gone along side by side with him for several years—what have you left for your clearing system, if you are just going to clear the public offices, what percentage of the whole are you clearing? If you and I are starting a business, if we have a grain of reason, we are going to look around for a business for which there is a demand. Now, is there a demand for this clearing house? It should come, if there is, from two sources, and those sources are the employer and the employee. Is there any demand from the employer? If the Federal employment office is going to run in competition with the private agency, they must do what Mr. Le Prohon said, and which I have stated to you. Do the employers want their private business cleared? No, not one of them. Why do the employers patronize the private agency in many, many instances in preference to the public agency? For just this reason: Are the employers going to patronize your big system if their business or their confidential business must be divulged, or if there is any opportunity for it to be divulged? I do not think they are. I would not, and you would not.

Now, there is a certain class, of course, of unskilled labor, such as the miners and that sort of thing, that you might be able to clear there. Perhaps there is a demand for that. What are you going to do, or what have you done, when you take a body of men from one State and move them on to another, and shift them around? You have created a feeling of dissatisfaction and discontent. That does not make good citizenship, you know that, Congressmen. Take your lumbermen, take your woodsmen, are they our best citizens? No. It is the man that attempts to establish a home for himself and family who makes the best citizen. Many times that man is forced to pick up and go on, but he does not want to do it. You can't pick them up and place them here and there and expect them to stay put.

I want to read, if I may, just a little extract from Mr. Smyth's statement. It substantiates my contention in a way. It was in connection with his statement that one employer met another employers' men at the train and through competitive bidding, hired them away. Do you recall that? He said:

Well, they were competitors for the same men in West Virginia, and that was going on there, that that was not really a benefit to the laboring man, this getting of higher wage, because, somewhat to my astonishment, the intelligent men realized that the restlessness and the moving around and discontent that was engendered by the constant changes of wages among the laboring men, kept them from realizing, except in some instances, any real permanent profit.

Now, take the word "wage" out of there, and Mr. Smyth has expressed my idea there. Take out the word "wage," and his expression is that the moving around causes dissatisfaction.

Now, I am not just proud of the way I have attempted to show what this clearing-house system might lead to or what this clearing-house system really is. I am not at all, because I realize I have not done it in an effectual way, and I am not at all satisfied with it, particularly so far as the English language goes. But I do not believe there is a great demand for the clearing-house system—as great a demand as would appear on the surface.

Now, I am not talking wholly as a prejudiced witness, favoring the organizations that I represent, because I know that the employers of the State of Massachusetts will stand right shoulder to shoulder with us in fighting this sort of thing when it comes to the fee-charging agency, and as long as they have the fee-charging agency they do not care so much whether there is a Federal or State office.

Now I am going to make a statement to you that is pretty broad: The Federal or the State offices can not, according to their own statement, verbally and in writing, function satisfactorily as long as the fee-charging agency exists. I have in my possession here a written statement by the associate director of the State of Massachusetts to that effect, and the United States Employment Department—the Director General's office—has a copy of that correspondence. Last January I testified before the Committee on Education and Labor in this room in connection with Senator Kenyon's resolution. On that couch sat Mr. F. A. Silcox, who was in charge of the community labor boards.

I made a statement to this committee quoting Mr. Silcox, and I asked Senator Hollis, who was the presiding officer at that time, if I had misquoted Mr. Silcox that he be allowed to stand and correct my statement. He never stood. Why? Because he could not. I

told the truth. I tell you that Mr. Silcox told me—not only once but several times, and I have the substantiation in black and white—that the Federal office—because it was the Federal office of which we were conversing—would not be and could not be a success as long as the private offices existed. I stated to the committee the entire conversation and offered my letters as evidence. It was that the Federal director's office in Massachusetts, with the sanction and advice of Mr. Silcox, had stated that the reason, or one of the reasons, for enforcing so strongly this order promulgated by the Department of Labor relative to the recruiting of labor was the fact that as long as the fee-charging agencies' doors were open the man would patronize the fee-charging agency in preference to the Federal agency, and the only thing to do was to forbid the employers patronizing the fee-charging agency, and in this way the fee-charging agency would have no patronage and consequently they would have to close their doors, and the result, or the hoped-for results, would be that the employer and employee would patronize the Federal office. I have in my possession here a series of letters to substantiate that, which I will be glad to read if there is any question or any doubt. I will leave that to the committee to decide whether I shall read them or not.

The CHAIRMAN. There does not seem to be any dispute of your statements at this time.

Miss COOKE. Now, Mr. Chairman—

The CHAIRMAN. If there is any testimony put in to contradict it, you might—

Miss COOKE (interrupting). The fee-charging agencies have, and I am speaking of the majority—of course you are going to have a disgruntled few—the fee-charging agencies do not fear the competition of the Federal system. We do not object to the continuance of it if it lets us alone. We do object to the continued interference of the Federal system, the interference we have had to put up with in the past and the interference the employers have had to put up with through us. Any fee-charging agency that can not stand up on its own merits and work on a competitive basis with the Federal system had better go out of business.

I do not tell you that there is no need of a Federal system or that people won't patronize that system. I believe they would, and if I could by raising my hand wipe out the Federal and State system I would not do it. It is the greatest advertisement and the greatest help that the right kind of fee-charging agencies ever had. Competition is the life of business; you know it and I know it, and we do not fear them. We strenuously object to being tied up with them in any way, or paying fares if we are tied up; naturally we are going to interlock, and we do not feel that we should come under the same head, under the same jurisdiction in any way, shape, or form.

Now, by—

Mr. HERSEY. Did it ever occur to you that the State legislatures in substance may abolish the fee-charging system?

Miss COOKE. Well, they can not very well, because we have a Supreme Court decision, rendered the 11th day of June, 1917. That decision—

Mr. HERSEY. The State Supreme Court of Massachusetts?

Miss COOKE. No; the United States Supreme Court. We have a United States Supreme Court decision, the case of *Adams v. Tanner*.

Mr. HERSEY. What is the citation on that?

Miss COOKE. I will give it to you. It is No. 273, October term of the Supreme Court of the United States, 1916.

Mr. HERSEY. The Supreme Court of the United States?

Miss COOKE. Yes; and the decision was rendered June 11, 1917, and in quoting it, it was the case of *Adams v. Tanner*, No. 273, October term, 1916.

Mr. HERSEY. Have you the page and the volume that the report is in?

Miss COOKE. No; I do not think I have. Justice McReynolds, in delivering the majority report, said:

There is nothing inherently immoral or dangerous to public welfare in acting as a paid representative of another to find a position in which he can earn an honest living. On the contrary, such service is useful, commendable, and in great demand.

Now, we know that they can not legislate us out of business, but there is just as big a danger that they can regulate us out of business. They know it. I am not telling them anything. Now, if they impose a regulation upon us that we must clear through this system, they have regulated us out of business, because the employer would not patronize us under these conditions any more than they will patronize them.

Then, you have another condition, which I doubt if you know about. What about the Southern States? How are they going to feel about your taking workers out of their States—

The CHAIRMAN. Let me ask you one question? How many have you ever sent West to the harvest fields, when the demand has come for an immediate supply of men to harvest the food of the country? How many has your employment bureau ever sent West?

Miss COOKE. Personally I do not deal in that class.

The CHAIRMAN. Did your employment agency deal in that class?

Miss COOKE. I would have to answer for the labor agencies.

The CHAIRMAN. I am asking about your own employment agency?

Miss COOKE. I do not furnish them—I furnish these—

The CHAIRMAN. You never sent any to the harvest fields?

Miss COOKE. No.

The CHAIRMAN. You have never sent any to the harvest fields or out to the Pacific coast to the building trades?

Miss COOKE. No.

The CHAIRMAN. You have never sent any to the harvest fields or out to the Pacific coast to the building trades?

Miss COOKE. No.

The CHAIRMAN. And that would not be a part of your work, a part of your business?

Miss COOKE. No; not of my personal business. May I call attention to a list of some of the Southern States—

The CHAIRMAN. Of course, we can not view—

Miss COOKE (interrupting). Simply to show the feeling—

The CHAIRMAN (continuing). The statutes of the different States.

Miss COOKE. It is not the statutes. It is to show the feeling of the States regarding having labor taken out of the State.

The CHAIRMAN. What we would like to know, Miss Cooke, you are an expert——

Miss COOKE. Well, I do not consider myself——

The CHAIRMAN (continuing). Whether you are for or against the establishment of a free Federal Employment Bureau in the Department of Labor. This field that you have covered has been very interesting. It carries in it a big fund of information; but you are now going into the statutes of the Southern States——

Miss COOKE. No; not the statutes, but I want to show their feeling touching the clearance——

The CHAIRMAN (interrupting). Unless you think it is material, of course, we would rather you would not go into it.

Miss COOKE. I think that it is material to the extent that it shows the feeling of six Southern States in regard to this matter of clearing from the States. They have an excessive tax so as to prohibit the interstate business.

The CHAIRMAN. Will you please let me interrupt you. You say that one State has taken labor from another State. Don't you know that nearly all of the Southern States have laws prohibiting one from even inviting another man to quit his employment?

Miss COOKE. In the division of this fund in the States——were they going——

The CHAIRMAN. We will be very glad to hear it.

Miss COOKE. After refusing to permit it absolutely, and passing laws to the extent of making the excise tax as great as \$2,000, there comes in the question of whether or not they are going to become a part of the clearing house. After making an excise tax as great as \$2,000 for any agent that comes into the State and attempts to hire men, will they be willing to cooperate in this clearing-house system?

The CHAIRMAN. What do you mean by "an agent coming in and attempting to hire"? Does that mean an agency being established for the purpose of hiring men in the State——

Miss COOKE. Well, I can look this matter up and tell you, but I believe there was a question came up of what constituted an employment agent within the meaning of the law, and who would be forced to take out a license. The Attorney General ruled that if a man came into that State from another State and hired laborers or workers, and received compensation for his service, within the meaning of the law he was an employment agent. Now, apply that to the clearing-house feature. I believe it is a vital point. If the States are not going to clear, is there any demand for the clearing house?

Mr. MACCRATE. In these several Southern States there is a prohibitory legislation against clearing into States outside their own borders. Is that right?

Miss COOKE. In some of them.

Mr. MACCRATE. And, therefore, if there was a Federal bureau established it could not possibly clear from those States into other States without the violation of the statutes of those States?

Miss COOKE. They would not get any active cooperation from those States.

Mr. MACCRATE. And your point is that under the rules and regulations of the Secretary of Labor he could override the statutes of the individual States?

Miss COOKE. Of course, there is a question there affecting the State sovereignty. If he can not get their cooperation, then what good is the bill, what use is the bill? If the rules promulgated by him are not going to be acceptable to the States, what good is the bill?

Mr. MACCRATE. Well, they will not get any money from him.

Miss COOKE. Yes, and again I ask who is going to clear? We are all tired and sick of this wrangling continually of the Federal bureaus and the State bureaus and the private bureaus, and if we are going to report a bill I hope we will have something that is going to be settled for a while at least. I want to see it settled.

Now, there is one thing I want to say about the expense. If the Federal bureaus, or the director general's office, or anyone else says that their placement cost per capita is lower than the fee-charging agency, why, it is an absurdity. I am talking from experience. I call your attention to the Secretary of Labor's statement, that the overhead expenses were not reckoned in or taken into consideration. If you are going into any business and you are given the overhead expense, why, what chance would a competitor have on prices?

Mr. MACCRATE. And when the Government furnishes \$5,000,000 you start with that as a contribution?

Miss COOKE. We hear a great cry of the low cost of the placements by the Federal agencies. I contend that the placements of the Federal Government are not lower than those of the fee-charging agencies. They can not be lower. It is going to cost you just as much to place a man or a woman as it does for fee-charging agencies. If you are sliding them through without any consideration for them at all, why, it is different. Then, what have you done? Just what you charge the fee-charging agencies are accused of doing, creating a great labor turnover. There is no greater chance for an excessive labor turnover through the operation of the fee-charging agencies, nor as great as through the Federal. All these things are put out to show that there is a great necessity for this public system on account of the abuses of the fee-charging agency. Now, there is not an irregularity that the private system is susceptible to that the public system is not susceptible to, absolutely none, and I can prove it to you. There is no profession, probably, and no business that abuses do not creep into. Why condemn the majority for the faults of the minority? Now, I do not object to the continuance of the United States Employment Service, but I hope that there will be some such service, or something established that once and for all will settle. I have never been against a public system, if it is properly managed, but I am here to show you the great danger and the big avenue that you are opening when you give the power to the Department of Labor that you are giving them in this clearance house.

Mr. MACCRATE. Would you have any objection to writing out the details and extending what you have already said, and sending them to the members?

Miss COOKE. Certainly not.

Mr. MACCRATE. When I have asked you questions, it was for the purpose only of developing information.

Miss COOKE. I wanted you to do that.

Mr. MACCRATE. And if we have disconnected your thought, we are sorry. For one, I would like to have your information, as I

think it is important; and after we go over it, if we wanted to we could put it in the record.

Miss COOKE. It was impossible for me in testifying to attempt to get any form of a brief, because I did not know what you wanted and I did not know what was likely to be asked me, but I will tell you what I wish could be done, and I assure you if it is done that you will get the help of Massachusetts—that I can pledge you—and I am as sure as I am standing here that you will get the help of every well-established fee-charging agency in this country. I wish that we could have an investigation—and I do not mean on the extravagant expenditure of money by the United States Employment Service. I do not know whether there was or was not. If I had been in the director general's place, I do not know that I could have done any better; but if there were mistakes made, let us profit by them. Let us find out just what this Employment Service, public and private, is. You have not got to establish this Federal system, this method of changing information, at once. If I understand it correctly, they are going to have a deficiency appropriation, and there is no hurry about it. Can not you wait a couple of months and go into it and investigate it thoroughly?

Mr. MACCRATE. Why don't you prepare and send to the members of the committee, if you see fit, a list of questions that you think should be directed to the director general when he appears, or his subordinates, so that we can in these hearings get these facts instead of ordering a new investigation? It will save time and money, and it will be a continuous record, that will be available for all purposes.

Miss COOKE. Please do not misunderstand me. I do not mean to investigate the director general or his department. I mean the whole principle of the public and the private offices.

Mr. HERSEY. We are attempting to do that in this way. You have before you the names of the States in the South that object to having a clearing house?

Miss COOKE. I can not say that they are objecting to having a clearing house, but they have showed—

Mr. HERSEY (interrupting). They do not want labor sent from one State to another—labor from one State brought to another?

Miss COOKE. I have corresponded with three of them, and I have found that this tax imposed on the employment agencies was not for the purpose of putting them out of business but it was for the purpose of discouraging interstate operations.

Mr. HERSEY. I would ask that this statement be put into the record.

The CHAIRMAN. Permission is granted, if there is no objection.

Mr. HERSEY. Showing those places.

(The statement referred to is here printed in full, as follows:)

The laws of Florida, Georgia, Mississippi, and Virginia require a license tax of \$500 in each county where an agency operates for the purpose of securing workmen for employment outside the State. The law of North Carolina requires an annual State tax and a county tax of \$100 in each county where business is transacted. In South Carolina the tax is \$2,000 for each county for each year.

The CHAIRMAN. It that all, Miss Cooke, this morning?

Miss COOKE. Yes: that is all.

Mr. HERSEY. I would like to have Miss Cooke, who seems to be very well qualified to speak on these matters, to furnish a brief for the members of the committee.

Miss COOKE. Yes; I will be very glad to do that.

Mr. HERSEY. Put it in writing.

Miss COOKE. I do not know what I could put in, and I do not want to put anything in that is not material to the case. It is very hard to get at the matter you want to put in.

STATEMENT OF HENRY STERLING, LEGISLATIVE REPRESENTATIVE OF THE AMERICAN FEDERATION OF LABOR.

The CHAIRMAN. We will be very glad to hear from you, Mr. Sterling.

Mr. STERLING. I should have preferred to have been a little earlier in the hearing, as representing the American Federation of Labor.

The CHAIRMAN. Give me your name and your position, please.

Mr. STERLING. Henry Sterling, legislative agent of the American Federation of Labor.

The CHAIRMAN. I would say that our program has been so filled up that we could not find a place convenient before, but we will be very glad to hear from you.

Mr. MACCRATE. And we have not reached any definite conclusion as yet.

Mr. STERLING. I feared that you had not. I had hoped that you had reached a definite conclusion in favor of the bill at this time.

I desire, Mr. Chairman, to submit the attitude of the American Federation of Labor on this particular matter. It was formally formulated at the Thursday's session, June 12—

Mr. MACCRATE. Last?

Mr. STERLING. Yes.

Mr. MACCRATE. This month?

Mr. STERLING. Yes; this month, at the Atlantic City annual convention. It is in the form of a resolution, and with your permission I will read it:

Whereas through the failure of Congress to appropriate funds for the continuation of the United States Employment Service, this most important function of the Federal Government is in danger of dissolution; and

Whereas the wage earners of the United States are entitled to an opportunity to secure remunerative employment without recourse to the fee-employment agencies' charge; and -

Whereas the United States Employment Service established by the Department of Labor has demonstrated the value of a Government agency in the placing of men and women in industry during the war; and

Whereas it has again demonstrated the value in securing employment for the returning soldiers, sailors, and marines, and other workers: Therefore be it

Resolved, That the American Federation of Labor, in its thirty-ninth convention assembled, hereby indorses the Nolan bill for the continuation of the United States Employment Service, and the secretary of the convention is hereby directed to wire a copy of this resolution to the Speaker of the House of Representatives, to the President of the Senate, the chairman of the Senate Committee on Education and Labor, the House Committee on Labor, Senator Henry Cabot Lodge, Hon. Frank Mondell, and Hon. Champ Clark: And be it further

Resolved, That pending the enactment of permanent legislation looking to the continuation of this most valuable service, it is urged that immediate

relief be accorded by means of a deficiency appropriation and such other emergency legislation as will assure a continuance of the United States Employment Service, until legislation can be enacted establishing a permanent service.

The motion was made and seconded, the committee reported favorably, the motion was made and seconded, and it adopted the recommendation of the committee. This motion was adopted.

I have very few personal comments to make on the matter. Before you or I were born, Mr. Chairman, Lord Macaulay recorded the fact that whoever attempted to abolish an old abuse or establish a new right would find it exceedingly difficult, if not impossible to do so, if the old abuse were sustained or the new right were opposed by any considerable financial interest.

In this particular case, Mr. Chairman, there are two rather considerable financial interests opposed to this proposition. The first is certain classes of employers; there are some employers who desire to open the gate and find there a crowd of men, and women also, perhaps, anxious to obtain employment. That leaves the men and women at the mercy of the employer. Such an employer knows that if a Federal agency is established that works properly, that functions fully, no such crowd would be there at the gate.

There is another class of employers which desire to have an absolute control over their help. They establish generally an employment agency of their own, and each man that applies for work is carefully registered and required to give an elaborate history and description of himself, and in many cases is required to promise that he will not affiliate with any labor organization.

Those employers are running what they call an open shop. Aside from those two classes of employers are the fee-charging agencies throughout the United States. They have conducted a business which has been guilty of many abuses. I do not charge that all fee-charging agencies have been guilty of abuses, but many have, and many of them are very glaring abuses. Whether these abuses continue to this day or not, I am not informed.

Now, those two classes of financial interest are strongly opposed to the establishment of a Federal Employment Service that can function effectually. Some of them will say to you, the same as Miss Cooke said to you this morning, that they are in favor of a Federal agency, but they do not want the agency employed to do this, or that, or the other. Miss Cooke and I have known each other for many years. Before committees of the Massachusetts Legislature, we have met many times on this same subject, and Miss Cooke's contention always was that the fee-charging agencies must not clear through the public agencies, or any agency whatsoever, the same contention that was made to you here this morning. Perhaps she stated to you the reasons why she objects to that. The reasons that I could see were that it would disclose whatever abuses existed among the employment agencies, which were the members of the body which she represents. I could never imagine any other weighty reason.

Mr. MACCRATE. That is not the reason that she gave us.

Mr. STERLING. I tried to make that clear, that I did not say that is the reason she gave. That is the only reason that really appeared on the surface. There have been public employment agencies in Massachusetts for some time. They have been useful in their place, but they

have been emasculated from the beginning because of the lack of this very power which Miss Cooke opposes here this morning. As to whether, Mr. Chairman, you accept the word of the secretary on the cost of placements or Miss Cooke lies with you, but it seems to me that if the statement of the representatives of the Department of Labor which were made to you as to the cost of placements through that department were even approximately greater, and if the overhead charges were added to it, still the difference between the cost of those placements and the charges of one week's pay, which is the ordinary charge made in Massachusetts, is so great that it would result in an enormous financial saving to the unfortunates who are out of work.

The CHAIRMAN. Won't you please, for the benefit of the record, put in there the cost of the placements to the department?

Mr. STERLING. Are you asking me to put it in?

The CHAIRMAN. The secretary, I think, gave it as you say.

Mr. STERLING. The secretary gave it, Mr. Chairman, and if you want it in there, you may ask the stenographer to take it from his testimony so it will be exact, and not depend upon my memory. It seems to me that for one class of labor the charge went down as low as 38 cents, and against that, the ordinary fee-charging agency that I have been acquainted with would charge the man a week's work, and take it out of his pay, through an agreement with the employer, at so much per week, until the full amount had been deducted.

The CHAIRMAN. That was the statement this morning.

Mr. STERLING. But about that time he would be discharged for incompetency, or for any other reason, as soon as it could be found, and he would go back to the employment agency, maybe the same employment agency, and pay a fee over again, and some other man would come in, in his place, and pay a fee once more. These are some of the abuses to which the employee out of work has been subjected to.

Mr. MACCRATE. I do not like to interrupt your thought, Mr. Sterling, but I would like to ask if you have ever thought of this employment service with regard to these Southern States, and how it affects the cases for transmigration of labor from their States to other States?

Mr. STERLING. My understanding of it was that it was practically a voluntary act on the part of the colored workers in the South; they are there given encouragement by the employment agents, and there were and has been for sometime quite an exodus from the South, injuring them materially, and relating almost exclusively to unskilled labor. Now, I do not know that, but I can at least understand why the States would put on an excise tax on any concern that might encourage that exodus. I know of no other reasons—

Mr. MACCRATE. What I am trying to get at is whether or not if a Federal Employment Service were ever established and went to these States and tried to stimulate the laborers there to go to some other section where they thought the labor was necessary, would it be a conflict of sovereignty that would be dangerous, so far as you could view it?

Mr. STERLING. There would be a conflict of interests that might arouse quite a little bitterness. I could not conceive of any Federal Employment Agency doing that, as you put it, except in extreme

cases; that is, encouraging the migration from one State to another. In cases of extreme necessity, I should think it would be fit and proper to do it, but only in cases of extreme necessity.

Mr. MACCRATE. The groundwork of the argument has been that it will help to take labor from one State to another State when the necessity arises.

Mr. STERLING. My statement just now had reference only to that particular phase which has existed for some years in the South, when the available amount of ordinary labor was being depleted through migration to the North and West, or anywhere, wherever it happened to go, and I think a Federal Agency or a private agency, to accentuate the exercise of that condition would be somewhat objectionable to the Southern States, and if the private agencies were coming into the various States and permitting that migration, I should say that the Southern States were entirely justified.

Mr. MACCRATE. But suppose that the Federal service wanted to do that?

Mr. STERLING. I should think, Mr. Chairman, that it would be impossible for the service to do that, except as I said in cases of extreme necessity, and extreme necessity would justify a course of that kind for a temporary expediency.

Mr. MACCRATE. (interrupting). Would not there be danger that the other States, if the Federal service is established, might enact legislation of a similar character, so that they would be protected in their labor against transmigration across the border line?

Mr. STERLING. I should think, Mr. Chairman, if the same conditions arise, that the other States would be justified, and might be expected to pass legislation of that same character. As, for instance, if labor became scarce in the great State of New York, and there were private agencies or a Federal Agency doing the best that they could to draw it away needlessly in many cases. I should think that the State of New York would be justified, in self-defense, and ought to pass legislation of that character.

Mr. MACCRATE. As a matter of actual occurrence in everyday life, a labor union man does not as a rule have access to an employment service of this kind, does he?

Mr. STERLING. No; very, very seldom.

Mr. MACCRATE. My father is a machine blacksmith, and if he is out of a job he goes to the local, and he sees the business agent. The argument is used that the labor unions will control public service, if it is established; do you know as a matter of fact, if the labor unions really need this Federal service, or is it not more for the unskilled workmen?

Mr. STERLING. The labor unions, or the labor-union men, have no special need of any service of this kind. Generally, if there was a job, say, in San Francisco and I was out of work to-morrow, through my union I could get a chance to at least try for that job. If somebody else got it before I got there it would be another question. The San Francisco union, if I went there in good faith looking for the job, and somebody else got it before me, the San Francisco union would help me to get a job.

Mr. MACCRATE. But there is no particular reason why the union men should be advocating, or should be desirous of getting control of the service?

Mr. STERLING. No; only for the general good of the laboring people of the country.

I wish to say, after 15 years' experience with labor legislation, that I have seldom seen labor legislation passed on a selfish basis. Occasionally one union will bring in a bill that really favors itself, or its own membership, but it is very seldom.

Mr. HERSEY. Right there, in that connection, if you care to help us with a little matter that is in my own mind. You are a representative of labor?

Mr. STERLING. Yes, sir.

Mr. HERSEY. Now, a bill of this kind for a Federal employment service is supposed to be legislation for all classes; that is, for the employer of labor and the employee, and the laboring man who hires, and the man who hires him. You are speaking for the man in the market for labor, for the man who is hiring out. There is another class of men who want labor in their industries and in their business. They can get their labor in three ways: One, either through their own business, through a private agency, or through this public agency. Do you know, speaking as you do for the laborer of the country, do you know the position of the ones who employ labor in this country, in regard to this legislation? What do they think of it? Do they want a Federal employment agency, or are they satisfied with the present situation?

Mr. STERLING. The man that wants the labor at his gate is clearly opposed—

Mr. HERSEY (interposing). To this bill?

Mr. STERLING. To any bill of this character.

Mr. HERSEY. The one that is for the bill is the man who works. The man who employs the workmen is against the bill. You see the committee's difficulty here.

Mr. MACCRATE. There is a rumor in New York—I do not know how true it is—that J. P. Morgan gave \$150,000 to continue this employment service of the Government from the time that the last appropriation was exhausted. Have you heard of that?

Mr. STERLING. I have heard the rumor. I have not confirmed it in any way.

Mr. MACCRATE. If that is so, it shows that all of the financial interests are not absolutely opposed to the bill.

Mr. STERLING. It is absolutely certain that not all of the employers are opposed to the bill, or all of the financial interests. From the place where Miss Cooke comes, Boston, last year one of the employers who is doing a large business, came down to argue in favor of the Federal employment bill.

Mr. MACCRATE. Now, in regard to Rhode Island. Are not there two labor markets, one in Providence and one in Newport, and have not those labor organizations been absolutely in favor of the bill, or have they taken the opposite view?

Mr. STERLING. I have heard nothing more than the ordinary discussion from Rhode Island. I have no direct information on that subject. If there is a group of laboring men opposed to the Federal Employment Bureau in Rhode Island it would not be surprising, because our movement is a thoroughly democratic one, and there are differences of opinion, and we have no power of coercion and do not attempt to exercise any such power, and we do not desire any such

power. If a man differs from the majority, he is expected not to be pernicious in his opposition. He is expected to go along with the majority, ordinarily. Occasionally there is vicious opposition to what is an overwhelming majority.

Mr. HERSEY. Do you believe in the private agencies clearing through the Federal service?

Mr. STERLING. I do, most thoroughly, Mr. Chairman, but as to how thorough should be that clearance is a question in my mind.

Mr. HERSEY. And do you think that there should be any—if there should be any at all, should not all of it?

Mr. STERLING. Just exactly what the private agencies should report to the public authority and how frequently they should report I am not prepared to say, but the private-agency business as now carried on is an exploitation in many cases, an exploitation of the man who, above all others, should not be exploited; that is, the man with a family dependent upon him, with the wolf at or near the door and who is looking for a job.

Mr. HERSEY. What I am anxious to know is, in times of peace will the employer of labor patronize the Federal Employment Agency?

Mr. STERLING. The employer has patronized the State employment agencies, so far as I have obtained any information.

Mr. HERSEY. Those are largely private agencies. They get their licenses from the State.

Mr. STERLING. I mean the State employment agency operated by the State.

Mr. HERSEY. Not a Federal agency, a State agency.

Mr. STERLING. A public agency and not a fee-charging agency. They have done a very large and successful business in Massachusetts for 8 or 10 years. They have not put the private agency out of business nor injured the private agencies, so far as I know.

Now, there were, Mr. Chairman, before the war, as many as from three to four million of workers out of employment at almost any time for a number of years before the war.

Mr. HERSEY. To what year are you testifying to now?

Mr. STERLING. I will name the period from 1908 until the war began on the other side.

Mr. HERSEY. Do you mean to say there were three or four millions of workers out of employment all of that time?

Mr. STERLING. Yes; there were from three to four million all of the time out of employment during that time. Now, the private agencies were then in existence and they were functioning to their fullest, but they did not meet the situation, and if for no other reason, Mr. Chairman, as added facilities of that kind are needed, we should have the public employment agency, for there is no doubt that the same conditions will again return unless some changes are made in our social institutions.

Mr. HERSEY. What we are anxious to know is, What can the Federal agency do that the private agencies can not in securing help, stabilizing it, and getting employment for the unemployed and labor for the employer?

Mr. STERLING. The most important part or thing that they can do is to relieve the unfortunate men from exploitation.

Mr. MACCRATE. We have got the viewpoint of the State and municipal and private agencies. What we are trying to get is the view-

point of the Federal agencies; what will it do distinct from that which they are doing?

Mr. STERLING. That is to say, if there is a limited number of jobs in the country, and more men are looking for those jobs than there are jobs, what can the Federal employment agency do?

Mr. HERSEY. That the State agencies do not?

Mr. STERLING. I do not know that I can answer that question.

Mr. MACCRATE. We are trying to find this out. Some people say that they are in favor of the State employment agencies; some people say that they are in favor of the State employment agencies; some people say that they are in favor of National employment agencies, and now people are urging a Federal employment agency, and when we go on the floor of Congress we are going to be asked, "What will the Federal Employment Service do that can not be done just as well by the existing public services and the State public services and the municipal public services; what in addition to what they do will this big Federal public agency do? That is the thing that we would like to have you give us, that information."

Mr. STERLING. Well, those agencies cover a broader field and distribute labor through a broader field, if there is an opportunity elsewhere they can aid the laboring men in securing it and they can give that information that all the other agencies can not. That, however, involves the thought of migration from one State to another. Now, migration within reasonable limits, kept within reasonable limits, is one of the most valuable rights and activities of the laboring people. When the laboring people stay in one place generation after generation, they simply stagnate and become as they are in the old countries, subjects of some local authority with less and less degree of freedom.

The CHAIRMAN. Now, Mr. Sterling, you can be here on an adjourned date, can you not?

Mr. STERLING. Certainly, Mr. Chairman.

The CHAIRMAN. If you will, and if you can think of anything else that you would like to add to your statement, we will be glad to hear from you at the meeting of the committee on the adjourned day, so if you will, you may have your statement connected up. By the action of the committee we have fixed the day of adjournment as July 8 on account of a good many going away for the Fourth of July, and that day being on Tuesday it will give them over Monday to return.

(Thereupon, at 12.10 o'clock p. m., an adjournment was taken until Tuesday, July 8, 1919, at 10 o'clock a. m.)

NATIONAL EMPLOYMENT SYSTEM

HEARINGS

BEFORE THE

JOINT COMMITTEES ON LABOR CONGRESS OF THE UNITED STATES

SIXTY-SIXTH CONGRESS

FIRST SESSION

ON

S. 688

A BILL TO PROVIDE FOR A NATIONAL EMPLOYMENT SYSTEM

S. 1442

A BILL TO PROVIDE FOR THE ESTABLISHMENT OF A NATIONAL
EMPLOYMENT SYSTEM AND FOR COOPERATION WITH THE
STATES IN THE PROMOTION OF SUCH SYSTEM, AND
TO REGULATE THE EXPENDITURE OF MONEYS
THAT SHALL BE APPROPRIATED FOR
SUCH PURPOSES

H. R. 4305

A BILL TO PROVIDE FOR THE ESTABLISHMENT OF A NATIONAL
EMPLOYMENT SYSTEM AND FOR COOPERATION WITH THE
STATES IN THE PROMOTION OF SUCH SYSTEM, AND
TO REGULATE THE EXPENDITURE OF MONEYS
THAT SHALL BE APPROPRIATED FOR
SUCH PURPOSES

PART 2.

Printed for the use of the Senate Committee on Education and Labor

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1919

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NATIONAL EMPLOYMENT SYSTEM.

TUESDAY, JULY 8, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate, and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m., in Room 201, Senate Office Building, Hon. J. M. C. Smith, presiding.

Present: Senators Kenyon and Smith;
Representatives Smith (chairman), Nolan, Hersey, Major, and MacCrate.

Also present: Henry Sterling, legislative representative of the American Federation of Labor; John A. Simpson, State president, Oklahoma Farmers' Union; Mrs. Anna Y. Reed, assistant chief of junior section of the United States Employment Service; William E. Hall, Assistant Director General of the United States Employment Service.

The committee continued consideration of the Senate bill (S. 1442), to provide for the establishment of a national employment system and to provide for the cooperation of the States in the promotion of such system and to regulate the expenditure of moneys that shall be appropriated for such service; and the Senate bill (S. 688), to provide for a National Employment System; and House Bill (H. R. 4305), to provide for the establishment of a National Employment System and for cooperation of the Senate in the promotion of such system, to regulate the expenditure of moneys that shall be appropriated for such purposes.

The CHAIRMAN. The committee will come to order. Mr. Sterling has a statement that he would like to make.

Mr. HERSEY. It is a continuation of his statement made at the last session, is it not?

The CHAIRMAN. Yes. Mr. Sterling, we will hear from you.

STATEMENT OF HENRY STERLING, LEGISLATIVE REPRESENTATIVE AMERICAN FEDERATION OF LABOR.

Mr. STERLING. Mr. Chairman, one member of your committee, just as I was finishing the other day, asked the question "What is the advantage of a Federal system over the present haphazard way of finding jobs for men and women?"—

Mr. HERSEY (interrupting). But he did not ask the question in that way, did he?

Mr. STERLING. Those were not the exact words he used, but that is the idea I got, and it seems to me that it was really a question of vital importance. There was no time for me to make any answer whatsoever at that time—

The CHAIRMAN. And you did make an answer, Mr. Sterling. Do you remember what your answer was?

Mr. STERLING. Well, it was not an answer.

Mr. HERSEY. Your answer was that you did not know there was any special advantage.

Mr. STERLING. It seemed to me, Mr. Chairman, as I thought the matter over, that that is the vital point, in fact, the crux of the whole matter that we are here discussing: What is the advantage of it? I am free to say that I do not feel quite competent to answer it, but I believe I might call your attention to one or two things in connection with it; one of them is, the value it would be to industry and to the laboring people of a general survey of the situation of the country, which would be possible at any moment under that system. A full knowledge as to what the industrial situation was in all industrial centers would be of vital importance to industry at large; to know whether in such and such a part of the country there was a surplus of labor and in another part of the country a shortage of labor would permit of adjustment which would be of great advantage both to the workers and to the employers. The present method of bringing the man and the job together, Mr. Chairman, is so unsatisfactory that, as I stated the other day, there seems to be an average of—

The CHAIRMAN (interrupting). We have got your statement that you made the other day in regard to that, Mr. Sterling.

Mr. STERLING. There seems to be an average of 3,000,000 out of employment for many years.

Senator KENYON. But the employment situation is getting a good deal better now, is it not, Mr. Sterling?

Mr. STERLING. I am not prepared to say as to that. I want to call your attention to the figures in Massachusetts on the last day of March of this year. Those are the last figures available—

The CHAIRMAN. Can you insert them into the record and then make your comments?

Mr. STERLING. This is the comment; there were 13.4 per cent of the workers out of employment on the 31st of March in Massachusetts.

The CHAIRMAN. And how do you figure that out?

Mr. STERLING. The Bureau of Statistics in Massachusetts has for many years sent quarterly to each labor union in the Commonwealth a blank for a report on unemployment. Those reports have been made out so continuously and they are followed up so faithfully that they seem to be about the most reliable thing of that kind—

Mr. HERSEY. Let me interrupt you; if a man is on a strike, is he out of employment? Do you consider him out of employment?

Mr. STERLING. I will answer that, if you please, when I come to give the figures.

The CHAIRMAN. Can you not insert those and save us some time?

Mr. STERLING. I will make it very short—

The CHAIRMAN. Well, go on in your own way and make the statement as concise as possible.

Mr. STERLING. On that quarter, 1,170 unions responded with a membership of 255,000 in Massachusetts, of which 34,239 were out of employment from all causes. Of these, from lack of a job or lack of material to go to work with on the job, there were 28,000, that is, 10,000 less, and that was absorbed like this: Unfavorable weather, 581; strikes and lock-outs, 1,267; disability of various kinds, 3,600; and other causes, 271, bringing the 28,000 people in Massachusetts who were out of work because they did not have a job and could not get one, and adding these other classes to them, it brought them up to 39,000 out of work, or 13.4 per cent.

Now, Mr. Chairman, Massachusetts is an industrial State, and whether those conditions hold the country over neither you nor I can tell. Now, a survey such as might be made by a Federal employment service would give us that information.

The CHAIRMAN. I was going to ask if you could make a similar survey of the other States in the country.

Mr. STERLING. No, Mr. Chairman; there is no other State that does that. New York State makes an attempt at it, but there is no other State in the Union and no other country in the world that makes anything like so reliable an estimate of its unemployed as Massachusetts, and I do not think that it is quite fair to project those figures into the country as a whole. If you did, you would have somewhere near 4,000,000 workers out of work on the first of this year. Of course, conditions for employment are not the same in the springtime as they are in other seasons of the year, but how many are there out of work, and where they are and what are they doing, can not be told at present. Your committee understands that even in the days when John Barleycorn was doing his best business, he was not so demoralizing to the workers as unemployment; that is to say, the men out of a job find after a while—some of them—that they can live without a job, and do not care much for a job, and a good many of them soon arrive at the stage where they are merely tramps, hoboos, and do not want to work.

Now, Mr. Chairman, there is that demoralization that comes to the individual; moreover, the fact that the labor market is crowded is demoralizing to the morale of the people at work. They realize the impositions that they may be suffering from; they do not suffer quietly but take it out in spleen rather than in intelligent efforts to better their condition. You would have from that those two particular varieties of demoralization that come from unemployment.

Mr. HERSEY. But this unemployment that you speak of has been going on at the same time that the Federal Employment Bureau is functioning and at work?

Mr. STERLING. As I understand it, Mr. Hersey, the Federal Employment Bureau is not functioning and at work for lack of funds and for various other reasons. Was it 80 per cent that they were cut down right after the 4th of March?

Senator KENYON. Was it not functioning at the time those figures were given, Mr. Sterling?

Mr. STERLING. No. During the war, when they were functioning and there were jobs, the employment service brought the men and the jobs together very effectively. It is not to be claimed by such an organization—

Mr. HERSEY (interrupting). That period that you spoke of and that you give the figures for, what period does those figures cover?

Mr. STERLING. It covers three months, from December 31 to March 31.

Mr. HERSEY. Well, certainly during that period your employment agency was at work—that is, the national employment agency was at work, was it not?

Mr. STERLING. Yes. Now whether, Mr. Chairman, you deem that a haphazard, utterly unreliable service, such as the private companies must give, whether you deem that as sufficient for the United States Government, for the United States people, is a question worth considering. How much coordination could be effected by the Federal service—

The CHAIRMAN. But those are questions we will figure out. If you will put in your reasons for the Federal service, and can give the activities that will be performed by a Federal bureau, and information of that kind that can be used by us, we can figure out that part of it.

Mr. STERLING. To what extent could the private, public, municipal, and State employment services be coordinated through a Federal system—

The CHAIRMAN (interrupting). By interlocking them together, you mean?

Mr. STERLING. Yes.

The CHAIRMAN. Proceed.

Mr. STERLING. It would certainly coordinate enough to give every man a job, if there was a job anywhere for him in the United States, and that is something that does not happen now. There never would be 3,000,000 men out of work in the United States if the coordination was properly carried out so as to give work to all for whom there were jobs anywhere.

Senator KENYON. Have you shown in the record what other nations have done?

Mr. STERLING. No, I have not, Senator. I have not taken up that subject, thinking that some of the experts from the department would do that.

The CHAIRMAN. Is there anybody here from abroad that wants to be heard?

Senator KENYON. Was it not the understanding that Mr. Gould was to have some of the manufacturers here to-day?

The CHAIRMAN. Well, he is not here with them.

Mr. HALL. Mr. Chairman, Mr. Simpson, who represents the farmers' labor unions of Oklahoma, is here, and he wants to testify against the service.

The CHAIRMAN. We will be very glad to hear from him.

STATEMENT OF JOHN A. SIMPSON, STATE PRESIDENT FARMERS' UNION OF OKLAHOMA.

The CHAIRMAN. Will you give your name, please?

Mr. SIMPSON. John A. Simpson.

The CHAIRMAN. And where do you reside?

Mr. SIMPSON. At Weatherford, Okla.

The CHAIRMAN. And you belong to what organization?

Mr. SIMPSON. I am State president of the Farmers' Union.

Senator KENYON. How many members has the Farmers' Union in Oklahoma?

Mr. SIMPSON. About 20,000.

The CHAIRMAN. Now, Mr. Simpson, we will be very glad to hear from you.

Mr. MACCRATE. Is that union of which you are president allied with the American Federation of Labor?

Mr. SIMPSON. No, sir.

Mr. MACCRATE. Have you a National Farmers' Union?

Mr. SIMPSON. Yes, sir.

Mr. MACCRATE. And are they represented here to-day?

Mr. SIMPSON. Not that I know of.

Mr. HERSEY. Do you know what their views are in regard to this bill, Mr. Simpson?

Mr. SIMPSON. No; I do not.

The CHAIRMAN. You may proceed.

Mr. SIMPSON. I just want to say that the service in Oklahoma has not been of benefit to our farmers. The class of men that have been brought in have been a detriment and only demoralized what labor we did have. Our own boys on the farm and in the country towns had to do the work, and the outside fellows that came in only disturbed and had a tendency to dissatisfy our home labor. In a great many instances these fellows were of I. W. W. tendencies, that caused our police officials and county sheriffs to have to watch them, and some of them would be arrested. It really put it about this way, that one department of the Government would send these fellows out and another would have to go after them and watch them.

Now, I can not speak of how it worked any place else, but that is the way it worked in Oklahoma.

Mr. MACCRATE. Can you tell us, Mr. Simpson, where the majority of these men came from?

Mr. SIMPSON. Well, I do not know. They would come in and a farmer would get a bunch of them and would take them out to his place, and they would take supper and they would sleep in his bed and eat breakfast, and then they would quit.

Mr. MACCRATE. Did not you have enough resident help in Oklahoma to do your farm work?

Mr. SIMPSON. I believe the State has enough help to take care of that. This year it would not make so very much difference what help you had, because we have had so much bad weather that we were crowded—

Mr. NOLAN (interrupting). These men that were coming in from the outside of your State, were they all furnished by the Federal Employment Service, Mr. Simpson?

Mr. SIMPSON. Well, I do not know. I saw some of them that had cards. I do not know.

Mr. NOLAN. And do you know what percentage of the men were furnished by the United States Employment Service?

Mr. SIMPSON. No; I do not.

Mr. NOLAN. About how many cards did you see? How many men did you see have a card?

Mr. SIMPSON. Well, I could not say exactly. Not a great many of them. But I have had a good many show their cards.

Mr. NOLAN. And were they generally all of radical tendencies?

Mr. SIMPSON. Well, all I could say is that that is the way the ones I talked with talked.

Mr. NOLAN. At about what time, if you know, did the United States Employment Service begin to supply farm laborers for Oklahoma, after the war started?

Mr. SIMPSON. No; I do not know.

Mr. NOLAN. Do you not have some organizations of your own down there that caused considerable trouble about the time to the local and Federal officials—

Mr. SIMPSON. No—

Mr. NOLAN [interrupting]. —about their working—

Mr. SIMPSON. I think that they called them the W. C. U.'s. I think that is what they called them.

Mr. NOLAN. It was purely an Oklahoma affair, was it not?

Mr. SIMPSON. Yes, sir.

Mr. NOLAN. And a great many men were arrested, and you had some riots in Oklahoma; they were arrested for trying to evade the draft? Is not that true?

Mr. SIMPSON. That is about true.

Mr. NOLAN. And those were mostly men, as a rule, in the rural communities, were they not?

Mr. SIMPSON. No; they were not in the rural communities, but they were mostly in the mining camps and oil fields in the eastern part of the State.

Mr. NOLAN. They were not in the rural communities?

Mr. SIMPSON. No; none of them were in the wheat country.

Mr. NOLAN. Are you sure of that? Are you sure that those riots were only confined to the mines and the oil fields?

Mr. SIMPSON. Well, I will say that they were in that part of the State. I am not particularly acquainted with that part of the State.

Mr. NOLAN. And those riots occurred in the early days of the war, did they not?

Mr. SIMPSON. Yes, sir.

Mr. NOLAN. And their principal idea was to evade the draft service?

Mr. SIMPSON. Well, that is what the newspapers said.

Mr. NOLAN. You have not any figures, or are you able to give the committee any information as to the relative number of men who came into that State who were furnished by the United States Employment Service?

Mr. SIMPSON. No, sir.

Mr. NOLAN. And who did not come up to the general standard?

Mr. SIMPSON. No, sir.

Mr. NOLAN. Just one more question and I will be through. You are a practical farmer yourself, are you not?

Mr. SIMPSON. Yes, sir; they are thrashing on my place to-day.

Mr. NOLAN. And is it not a fact that at that time the farm work, and all other sorts of work had to depend largely upon a rather inferior grade of help during the war, when the cream of our young men were being taken to the service except when exemptions were made?

Mr. SIMPSON. Well, it was not as skilled a class of men as we had been having.

Mr. NOLAN. Are you in favor of a Federal or State employment service?

Mr. SIMPSON. We have no objection to a State employment service.

Mr. NOLAN. How?

Mr. SIMPSON. We have no objection to a State employment service, and have never had any objection to our State employment service.

Mr. NOLAN. Do you know the terms of this bill, Mr. Simpson?

Mr. SIMPSON. No, sir; not any more than it contemplates Federal aid and that it brings in help from the outside which is not considered beneficial.

The CHAIRMAN. At what time did they bring that help in? When did they bring it in?

Mr. SIMPSON. Well, during harvest time.

The CHAIRMAN. Of what year?

Mr. SIMPSON. The one that we have just passed through.

The CHAIRMAN. This year—the year 1919 harvest?

Mr. SIMPSON. The 1919 and the 1918 harvests.

The CHAIRMAN. This year and last year?

Mr. SIMPSON. Yes, sir.

Senator KENYON. At what time of year do you do your harvesting there?

Mr. SIMPSON. We harvest in June, mostly, Senator. We get through by the 1st of July.

Mr. NOLAN. Has your organization gone on record as being opposed to the Federal Employment Service?

Mr. SIMPSON. Well, not especially; no, sir. The question has not come up especially.

Mr. MACCRATE. I take it that you have watched the Oklahoma farm conditions quite carefully for some years, have you not, Mr. Simpson?

Mr. SIMPSON. Yes, sir; I have.

Mr. MACCRATE. In the past have you found that your State employment service has been able to take care of you and your needs?

Mr. SIMPSON. Well, we never had any trouble about being taken care of. I do not think we ever had any trouble.

Mr. MACCRATE. Now, from what standpoint do you speak? Do you speak from the employees', the farm hands' standpoint, or do you speak from the farmers' standpoint?

Mr. SIMPSON. I am speaking from the farmers' standpoint.

Mr. HERSEY. And are you authorized to appear here by your organization?

Mr. SIMPSON. Yes, sir.

Senator KENYON. And does this organization with which you are connected have any organization in Washington—that is, any representation in Washington?

Mr. SIMPSON. Yes, sir.

Senator KENYON. Is it Mr. Hampton?

Mr. SIMPSON. No, sir; with the National Board of Farm Organizations.

Senator KENYON. Who is your national representative here in Washington?

Mr. SIMPSON. Mr. Lyman. He has an office in the Woodward Building—Room 615, Woodward Building.

Senator KENYON. And is he of the same viewpoint as you are?

Mr. SIMPSON. I have not asked him, Senator.

Mr. MACCRATE. Did these men coming into your State have a tendency to reduce the wages of the men employed on the farms in Oklahoma?

Mr. SIMPSON. No; I do not think so. On the other hand, they had a tendency to raise the wages, and also to shorten the hours. That is where, or is one place where, they demoralized the home labor. They tried to make our boys believe they ought not to work so many hours a day.

Senator KENYON. What do you pay there in Oklahoma for your farm labor?

Mr. SIMPSON. In harvest time we pay 50 cents an hour.

Senator KENYON. And have you an eight-hour day?

Mr. SIMPSON. No; but we got them to work 10 hours a day. They only worked 10 hours a day. These outside fellows would limit it to 10 hours a day.

The CHAIRMAN. And how many hours did you try to get them to work a day?

Mr. SIMPSON. Well, from the earliest break of light to the last of light at night, running through the day.

Senator SMITH. Does not a different condition confront farm labor than confronts the labor in other branches, in that when you can work you have to work all the time you can during the day, for the reason that you have a great deal of weather when you can not work at all, but the pay goes on?

Mr. SIMPSON. Yes, that is so; for the reason that because of one rain when your wheat is down you may lose half the crop, and for that reason we do not generally stop for hours. That is what I was speaking of, that those men coming in there would demoralize the boys from doing that kind of work.

Mr. NOLAN. Can you tell us who sent for this outside help that came into Oklahoma?

Mr. SIMPSON. No; I never have, and none of the farmers working in my part of the country have. It is generally some chamber of commerce which gets the idea that the farmers need a lot of help from outside, and they notify the world of how many they need, and when they come in there is about 10 for every 1 that you need, and 9 out of 10 of them are not any good for the work.

Mr. NOLAN. But is it not a part of the duty of the United States Employment Service to see to it that they do not get any more men than they need?

Mr. SIMPSON. Well, they got more men than they needed. I have seen 50 of them loafing around—

Mr. NOLAN. And did they all have United States Employment Service cards?

Mr. SIMPSON. I think so. I know some of them had, for I know some of them showed them to me.

Mr. NOLAN. The testimony is that they will not send men where there is no reasonable need for the men.

Mr. SIMPSON. I have seen them many and many a time when they were not needed—

Mr. NOLAN (interrupting). And did you as president of the State association or union get in touch with the State service and the United States Employment Service and cooperate with them during this time—

Mr. SIMPSON (interrupting). Well, they frequently interviewed me and asked me about the men, and I always told them that we did not need any.

Mr. NOLAN. Well, how did they get there? Who sent for them?

Mr. SIMPSON. Well, some little chamber of commerce would send for them.

Mr. NOLAN. Then there was not much cooperation between the farmers and the chambers of commerce, was there?

Mr. SIMPSON. No, sir.

The CHAIRMAN. How many men did the Federal Employment Service send into your State this year, Mr. Simpson?

Mr. SIMPSON. I do not know anything about the figures.

The CHAIRMAN. Do you know whether they sent in any or not?

Mr. SIMPSON. I think so. I saw their cards.

The CHAIRMAN. And do you know whether they were sent by the Federal Employment Service?

Mr. SIMPSON. Well, I saw their cards.

The CHAIRMAN. And did you make a request for any?

Mr. SIMPSON. No, sir.

The CHAIRMAN. And do you know of anybody making any request for any from the Federal Employment Service?

Mr. SIMPSON. Well, I saw in the newspapers where the chambers of commerce were calling for so much help.

The CHAIRMAN. And how many men did the Federal Employment Service send into Oklahoma in the year 1918?

Mr. SIMPSON. I do not know.

The CHAIRMAN. Do you know whether they sent in any or not?

Mr. SIMPSON. I saw some.

The CHAIRMAN. Sent in by this bureau?

Mr. SIMPSON. Yes, sir.

The CHAIRMAN. And did they send in any in the year 1917?

Mr. SIMPSON. I do not remember whether I saw any then or not.

The CHAIRMAN. I think that is all.

STATEMENT OF MRS. ANNA Y. REED, ASSISTANT CHIEF OF JUNIOR SECTION OF THE UNITED STATES EMPLOYMENT SERVICE.

The CHAIRMAN. Will you give us your name, please?

Mrs. REED. Mrs. Anna Y. Reed.

The CHAIRMAN. And your residence?

Mrs. REED. Seattle, Wash.

The CHAIRMAN. And whom do you represent? What organization do you represent?

Mrs. REED. I am assistant chief of junior section of the United States Employment Service.

The CHAIRMAN. Well, we would be very glad to hear what you have to say, making it as concisely as you can. Just tell us about the employment service—

Mrs. REED (interrupting). Perhaps you would prefer to ask definite questions and have me answer them, Mr. Chairman?

The CHAIRMAN. No; after you make the statement we may ask you questions.

Mrs. REED: Mr. Chairman and gentlemen, the idea back of the junior department of the United States Employment Service is one that has been growing in the country for many years. It did not originate with the United States Employment Service but with the vocational-guidance work in the public schools. The educators of the country realized that education did not function in the schoolroom. They also realized that many boys and girls were sent out into practical business life with nothing but theory upon which to base their success. It was no wonder that many were failures. Business men realize that one of the most serious problems confronting them to-day is the college boy just graduated who has ability but who thinks he knows more about practical affairs than the man by whom he is employed.

The problem of guidance begins even before 14 years of age. Boys and girls of 14 do work in many of our States; they secure working certificates. They are permitted to work under the laws of our country at 14 years of age. The question is, Shall they enter employment unguided or shall we give them such help as we can at the very beginning of their working life? Young boys and young girls, as a rule, take the first job that is offered—they take it without knowing anything about it. The result of their entering upon their business career without training and without guidance causes an enormous social waste. It is an enormous social waste to the individual and enormous economic waste to the employer. The community is a constant sufferer.

I might give you one illustration which would indicate how both time and ability is wasted by entering employment for which the individual is not fitted, and which later on it may be necessary to leave. Not very long ago a young woman called at my office. She had been trying to learn the millinery trade. She was a graduate of the art school in one of the high schools. Her teacher had advised her that she had considerable artistic ability which would tend to make her successful in the millinery trade, and in which there was an excellent opportunity for high wages and permanent employment. Acting on the advice of this teacher she spent four years in the high school. The four years cost the public approximately \$800. We can not estimate the cost to the individual. She finished her course at 18 years of age and worked four years in the millinery trade before she discovered that the type of artistic ability which she possessed was not the type which would get her to the top in the millinery business. In other words, she had the copyist's ability but not the ability of the creative artist. The wages for the copyist are always comparatively low; the wages for creative genius are high. The girl was acting in good faith. It took her a long time to realize why her salary was not increased. Her teacher recognized artistic ability, but she did not have the commercial knowledge which was necessary in order to distinguish between the two types of ability as used in the millinery trade. This girl made up her mind to take a stenographic course. She went to a business college and paid for a new line of training. We hope she rectified the mistake which had been going on for years. In this case the loss to the employer was very great. The loss to the public was also great, while the girl herself

had spent the best years of her life preparing for an occupation for which she was not fitted. When she told me her story, I explained that had she talked with us for five minutes before she entered upon this line of work, it could have been demonstrated to her that the creative type of ability was necessary if she expected to make a success.

Some of you will ask why do not the school and the home rectify such mistakes? I answer that they can not. The teacher can not stay in the classroom all day and at the same time have any knowledge about industrial life which will be worth while for occupational guidance. Do not assume that the one particular mistake which was made by the young woman who learned the millinery trade will be made again in that same city. I made it my business to go before the 1,500 teachers employed and explained to them in detail the requirements of the millinery trade and the definite lines of ability required.

Mr. MACCRATE (interrupting). Well, do you think that many of those 1,500 teachers were in the wrong vocation themselves?

Mrs. REED. Well, we know they are; yes, sir.

Mr. MACCRATE. Why? They have brains, have they not?

Mrs. REED. Yes, they have brains, but unfortunately brains will not always give us the right line of work. We have a boy who went into a line of work through our own office, and he was a good boy, but a big, awkward boy; you know the kind, all legs and arms.

The house employed him through their employment manager. Employment managers are a very excellent means of cooperation for the Employment Service. The boy was placed as an "order picker." He worked about two weeks and came back to the office late one Saturday night. I will confess that I was somewhat provoked when I saw this boy, and when he said to me, "Mrs. Reed, I want to quit my job." I assumed that he was to be another case of the boy who is always wanting to quit his job and drift about. It soon became obvious that there was something serious on his mind. I asked him to sit down and talk it over. He explained that the employment manager had assigned him to a young forewoman as an "order picker." It was his duty to fill orders—packages of hair pins, papers of pins, 12 yards of ribbon, a few yards of lace, etc. This boy was clumsy; he was so clumsy in performing his work that the forewoman found constant fault with him. The more he was criticized, the clumsier he became. He dropped so much lace and soiled so many ribbons that he was completely discouraged. When I asked "Do you think you are going to be discharged?" he replied, "If I do not resign I will be, and I can not bear to be discharged from my first position."

I called up the employment manager and told him the story, explaining to him that the boy had been honorable enough to come back to our office and consult us before throwing up his job. I asked if he felt that a boy of this type was well placed as an "order picker." The reply was that "when I find a boy straightforward enough to go to the officer who placed him and talk over his dissatisfaction before he resigns I will do anything I can to give him the right start. Send the boy back on Monday morning." On Monday morning the employment manager himself gave this boy individual

attention and placed him in a line of work that was more suitable. The boy made good and has remained permanently with the house.

The majority of boys and girls who make failures in their work begin by making their first failure within two weeks or a month after their employment. If we can give them careful supervision, if we can follow them up and help them over this difficult period, there is much more of a prospect that they will make good. However, if they begin to drift when they are 14 years of age, discontent, dissatisfaction, and social unrest are apt to be the result. Boys and girls released from the school system at 14 or 15 years of age have not yet developed self-mastery. They will be guided by someone. It seems very important that we should prevent their becoming a restless element in the community and try to develop good citizenship.

Senator SMITH. Do you not think in the first case, where the girl went into the millinery business and was a failure, if the manager of that department or business had been competent to select suitably that he would have known that this girl was not suited for the work, and that he ought to have given her a different line of work?

Mrs. REED. You are quite right, had he known of the ambition the girl had in her own mind. Rarely ever do employers question these young employees as to their motive in selecting their particular industry. When I questioned the employer as to why he had kept her so long his answer was that she was a high-school graduate, a girl of unusual ability and well worth \$15 to them. They were perfectly satisfied to keep her if she were satisfied to stay. The average employer does not stop to consider the individual problem. If an individual is satisfied and is satisfactory and can be retained for \$15 a week there is no particular reason why he should discharge her.

Mr. MACCRATE. You do not mean, in the second case, of the boy who handled ribbons, that a boy should not be put in such work at all, do you?

Mrs. REED. Oh, no—

Mr. MACCRATE. For is it not a fact that the very best ribbon people are men?

Mrs. REED. Yes; that may be so. The best cooks are men.

Mr. MACCRATE. And the great ribbon departments of the big stores mostly employ men, do they not?

Mrs. REED. That may be true in some lines. For instance, buyers and those who study ribbons as articles of sale, and therefore need expert information, are frequently men. Very rarely does this clumsy type boy make good in measuring or handling ribbons. As a matter of fact, in certain States during the last trade depression many very young men were tried behind the counter as ribbon salesmen. The reason for this was very interesting. Minimum wage laws required \$10 a week for sales girls; sales boys could be secured at \$6. I do not know of a single house which came under my observation that found the boys satisfactory as ribbon salesmen.

Mr. MACCRATE. I did that work myself at one time, and I would hate to think that a boy could not do that kind of work.

Mrs. REED. There are exceptions to every generalization. The particular type of boy mentioned was not the type that could handle such material without damaging it.

Mr. HERSEY. Then you sent a misfit out to fill an order, and if the boy had not come back he would have been a failure.

Mrs. REED. Yes; that is so. If the boy had not come back to us he would not have gone back to this place at all. That saved a little labor turnover.

Mr. HERSEY. Then your expert help in the first instance was not good—

Mrs. REED. We did not give him expert help until he came to us the second time. Frequently we are not allowed to have any voice in deciding to which department within the plant a boy shall be assigned. We did not know what kind of work he was to do in the first instance. The employment manager assigned him after he reached the house.

Senator SMITH. Now, Mrs. Reed, do you think that an employment manager has as much capacity to judge of the fitness of a boy in a particular place as the manager of a particular employment bureau?

Mrs. REED. Well, it depends altogether on the experience and the training that he has had.

Senator SMITH. But don't you think that, in general, the employment manager who has been studying the business has as much capacity in the particular employment placements as the manager of that particular employment bureau—

Mrs. REED. I think he has more. I think it takes more ability—

Senator SMITH (interrupting). And the man who has specialized on the one for actual employment ought to know more about it than the one that did not?

Mrs. REED. Your point is that vocational guidance within the industry requires greater specialization than does vocational guidance which aids in selecting the industry.

Mr. MACCRATE. Let me ask, when a boy is 14 or 15 years old, can you or anybody else look into his head and say what he should do or what he can do best—

Mrs. REED (interrupting). No; never.

Mr. MACCRATE. And are not those chances that the boys take the very things that make American life what it is?

Mrs. REED. Well, sometimes we would like to have American life what it is not.

Senator SMITH. I do not mean to disapprove of the idea of helping a boy to select a position, but in discussing the responsibility of the teachers, I have urged them to study their own possibilities, and to reflect upon the responsibilities and possibilities which they have with the pupils, and I think that that ought to be done by the teachers.

Mrs. REED. The junior department of the Employment Service, as we are handling it now, expect that that phase of the work will be done by the school system. What we hope to do is this: Secure the cooperation of the public-school systems in such a way that every boy and girl prior to leaving the schoolroom understands the importance of choosing as carefully and as wisely as is possible not only what may be a temporary position, but their permanent occupation. We hope also to secure from the public-school office a report card which will contain just as definite information as is possible regarding tastes, abilities, and interests of each boy or girl who goes to the service to find employment. These report cards are immensely valuable to employers and to our placement

clerks in helping boys and girls to make wise selection and to realize their responsibilities as young employees.

One of the most telling questions ever asked in our office is: "If you were an employer and a boy came to you from the public schools to-day, just as you are coming to me, and if he had the same qualities and recommendations that you have would you hire him?" Many boys have told us that they had never before thought of the fact that they must be able to furnish something which the employer is willing to pay for.

Mr. MACCRATE. Have you taken the statistics of the law schools and the medical schools, and found out what percentage of men do not pursue the profession that they have studied?

Mrs. REED. Yes; I have done that, and I will tell you that you are pretty apt to find that quite a large part of them do not go into those lines of work. There are several reasons for that. For one reason, those professions are overcrowded; and another reason is that they are not men fitted for that work; and the third reason is a tendency to want what we call the "white-collar jobs," and many of the boys go into what they think are the nicer jobs without any idea of the overcrowded conditions in the profession in which they must compete with others.

Mr. NOLAN. Let me ask you, is your work along the line of trying to determine whether a man has ability to be a lawyer, or a doctor, or a civil engineer, or trying to find out whether a man would be a better mechanic or a clerk, as he comes out of school, or whether a man or woman is fitted for some particular line of business. In other words, is your work—in going into this question, are you trying to determine what a man or woman should do, or are you trying to solve the junior question?

Mrs. REED. We are trying to solve the junior question, absolutely.

Mr. NOLAN. It is a question of putting up to the boys and girls who are leaving high school the right line of business?

Mrs. REED. Yes; not only the boys and girls leaving high school, but the boys and girls leaving the grammar grades, and the boys and girls who have been out of school for several years.

Mr. NOLAN. And what is the particular work you are doing now?

Mrs. REED. The junior work. You have it correct.

Mr. MACCRATE. In what particular way does Federal Employment Service operate that a State or a municipal employment service could not operate?

Mrs. REED. A national office will be able to accumulate and disseminate information from a broader point of view than is possible locally. I think it will be many years before there would be any such thing as a State system of vocational guidance. Quite a number of cities have attempted to organize city systems under boards of education. No proper appropriation has ever been made to finance these departments, and most of them have been more or less unsatisfactory. Educators who have been vitally interested in this problem have been waiting for years for some national movement along this line. Cities want national leadership and are very glad to cooperate with us.

Senator SMITH. Is it not a fact that while you have a vision of the whole country, you have a less accurate vision of a particular

locality, and is not there a great disadvantage from a lack of knowledge of a particular locality—

Mrs. REED (interrupting). Well, it depends on how much information a person has, and whether one who is working locally is benefited by a broad national vision.

Senator SMITH. And don't you also think that any boy, raised anywhere in the country, can find in his home section an opportunity, in 99 cases out of 100, for effective occupation?

Mrs. REED. Undoubtedly; but here is the problem. In most sections of the country millinery work is a seasonal occupation. Once or twice I have advised girls not to go into this line of business because of this characteristic. At one time one of the girls answered me, "My people are going to move into southern California. Would that in any way influence my choice?" Of course, it did. Millinery work is a year-round occupation in southern California. Irrespective of whether persons I advise remain in their own district or leave it for some other section of the country, I have not found it any handicap to know the conditions in various parts of our country—

Mr. MACCRATE (interrupting). But could not you have information of that kind without a Federal Employment Service?

Mrs. REED. Yes; but it is through the Federal Employment Service that we hope to reach the teachers who guide the pupils. One can not acquire information of this type very easily and there must be some source of information which is reliable if we are to aid boys and girls.

Mr. HERSEY. Yet you admit that you made a mistake in sending the girl out into the millinery work—

Mrs. REED. No; you are mistaken. She did not go out from our office. A well-trained placement worker would have ascertained what type of artistic ability she had and what her ambitions were before she would have sent her to the millinery line. This information should have been secured through the teacher at the school.

Mr. NOLAN (interrupting). Is there any State in the Union that has any organization that does this junior work that you speak of?

Mrs. REED. No. It has been a municipal—

Mr. MACCRATE (interrupting). The city of New York has it in its board of education.

Mr. NOLAN. Do you know of any cities in the country that has special equipment for the junior work?

Mrs. REED. Yes; there have been a good many, but in a great many instances it has been a failure because of the lack of trained personnel. In the last year in Seattle I had several calls to know if I could supply anyone who had worked with me to take up this work of vocational guidance and placement. The salaries ran from five to eight thousand dollars, and they could have earned that money if I could have sent them trained workers.

Mr. NOLAN. Is it a general practice with large concerns to have placement managers in connection with their institutions so that there will be a saving in the labor in those institutions?

Mrs. REED. Yes, sir; it is a very rapidly growing movement. The best reports that I have had have come from business institutions which have employment managers who come directly to us and go over our lists and pick out the employees carefully. The returns that come from an employment service in dealing with a well-

trained employment manager are very great, because he will let you know very shortly how many of the boys are going to make good and will tell you why, and if he knows anything about his line of industry, he will indicate the particular characteristics the boys have shown. This helps us in placing other boys in the same line of work.

Mr. NOLAN. Can you give the number of boys and girls that your junior bureau has dealt with since it has been in existence?

Mrs. REED. No; as a matter of fact, the statistics in our department—we have no authentic statistics. In our junior department we have only seven States organized, and because of the failure of the appropriation they have not been sufficiently organized to keep a record of all of the placements.

Mr. NOLAN. And how long has it been since the Junior Bureau of the United States Employment Service was started?

Mrs. REED. The order was issued on the 9th of December, 1918, and we did the first work in the field in January.

Senator SMITH. Can you tell us, madame, what number of boys and girls between the ages of 14 and 18 go into occupations and would need these offices annually in the United States?

Mrs. REED. We have several million juniors working. I could not tell you how many annually, but there are perhaps six or seven million boys and girls working in the United States, according to the last census.

Senator SMITH. Yes; but how many employment agencies or offices would it take to reach those that would go into employment every year?

Mrs. REED. I could not tell you that. It depends on how readily the cases are handled and how far the advisory work can be done in groups. Sometimes I have found it easy to take a group of say, 10 boys, and consult with them together and get through with them in a comparatively short time—

Senator SMITH (interrupting). What I had in mind was the impracticability of reaching any really substantial number through the employment agencies and the possibility of accomplishing some good by reaching the educators of the entire country in the schools and inspiring a greater degree of cooperation with those in charge of the employment, the employment managers, in the occupations at which they are employed—

Mrs. REED (interposing). We do it anyway.

Senator SMITH (continuing). And as to whether those two means are not really the best means and the means that we must rely on in advising and suggesting and stimulating, perhaps, by the men engaged in the work.

Mrs. REED. We have depended on those two agencies for years, but the schools have failed because they have not the practical viewpoint. The business houses have failed, for, while occasionally you find a manager who takes an interest in the matter, as a rule they have plenty to do to handle their own business, and the result is there is no place for children to go for advice. There is no follow-up work for them—

Senator SMITH (interrupting). What I was suggesting was the possibility of having a sufficient number of skilled directors like yourself who could reach any large portion of the boys and girls—

Mrs. REED (interposing). That is the problem, the trained personnel; and that is also the problem of the business houses.

Senator KENYON. How many employees have you in your division?

Mrs. REED. On our staff I have no one except a stenographer besides myself in Washington.

Mr. HERSEY. But you are located in Seattle, aren't you?

Mrs. REED. No; I am here in the service, and my home is in Seattle.

Mr. HERSEY. After you send a boy or a girl to a position that has been opened by an employer, do you keep in touch with them in the future?

Mrs. REED. Yes; we do. It is one of the most important things. We follow the boys up during the first month very carefully. If we find then that the employer and the boy are both satisfied, we do not follow them up so closely. Wherever we keep our offices open evenings they come to see us and talk matters over. Very often they are intensely interested to know whether there is not advanced vocational work which they can secure in classes.

Senator SMITH. Now, let us take the teacher in the grammar school, which is the highest grade in the common schools. That teacher has 30 or 40 students and has those students for 9 or 10 months, boys and girls, under his or her direction. That teacher has an opportunity for nine months to deal with them and to aid them. Don't you think, with properly aroused appreciation by that teacher of the responsibility for direction and suggestion, that that teacher would have a greater opportunity to wisely direct those children than an employment agency, who only would deal with the boy or girl for a few hours?

Mrs. REED. That would be true on the personal side of it; yes, but the teacher does not know industry. She may know the qualities of the child—

Senator SMITH. But the teacher of last grade in the ordinary grammar school has time, and he ought to be able to learn something about the industry?

Mrs. REED. I do not know whether they have time or not.

Mr. MACCRATE. Is it not a fact that in the city of New York that the graduating-class teacher goes out and makes a survey of her own localities to find out what the occupations are and what the conditions are, and, as a matter of fact, the compositions of the children deal with description of the trades and business going on, and they give them letters of application to write to the different industries?

Mrs. REED. Yes; to some extent. The New York City schools have just tied up with the United States Employment Service so that the man who has charge of all the employment work is an appointee of the United States Employment Service. The reason that has been done in the large cities, in Boston, Philadelphia, New York, Chicago, Cleveland, and Pittsburgh, is because the educators realize that they must have the practical element brought in before they can do this kind of work successfully. Now that is just what we are trying to do, to give them the information. I am going to Cleveland next week to spend a week with the Cleveland School of Education, where 1,200 teachers will be assembled for student work, and also to hold conferences with the teachers who may bring up any specific problems, and I will attempt to show them how to help the boys and girls

in the classroom. It is a question of getting the information to the teachers. But some one has got to collect that information in order to get it to the teacher.

Senator SMITH. If it were nationally done and carried to the teachers of this country, would it not be practical to reach vastly more boys and girls than it would be to use an agency—

Mrs. REED (interrupting). But how would you place them when they have finished their studies? When they get their information and this flood of children come out, who is going to put them in touch with the positions?

Mr. MACCRATE. Is it not a fact that the commercial high schools in Brooklyn and New York City have in their organization employment services, so that they can find positions for them when they are graduated?

Mrs. REED. Yes; every city has. You have 15 high schools seeking positions for its own pupils, and sometimes I have been in an employment manager's office and he has said to me that he wished that we could centralize this work. One said to me, "Here are six cards left in my office from these different high school employment bureaus, each one asking for positions and the employment of their graduates. Why can not we have one central bureau to handle the whole proposition?" But we can not centralize unless we have a central placement agency with a clearing house in the large cities.

Mr. NOLAN. A number of the questions that have been asked you would seem to indicate that a tremendous Federal organization would be built up that would take care of this placement work, this personal placement work. What is the real purpose? Is it to place the individuals or direct the States and municipalities and the public schools in the work of having some agency or avenue where the pupils leaving the school could get a place?

Mrs. REED. It is administrative, directing and assisting the municipality to so organize that information that is given in school may be used in final placement. It is giving them an opportunity to function under Federal—

Senator SMITH. But you are not advocating—

Mrs. REED (interrupting). Not to be paid by the National Government, but through the city systems. In Pittsburgh it is costing something like \$15,000 to handle this work, and the bulk of it is paid by the City of Pittsburgh and the public-school system.

The CHAIRMAN. That is all.

Mr. HALL. Could I just supplement Mrs. Reed's statement a little?

The CHAIRMAN. Certainly.

STATEMENT OF WILLIAM E. HALL, ASSISTANT DIRECTOR GENERAL OF THE UNITED STATES EMPLOYMENT SERVICE.

The CHAIRMAN. Give your name, please.

Mr. HALL. William E. Hall.

The CHAIRMAN. And whom do you represent?

Mr. HALL. I am acting as Assistant Director General of the United States Employment Service, and I have under my special charge the junior work of the department, and I want to supplement the statement of Mrs. Reed.

It has been my good fortune as president of the Boys' Club Federation to have an opportunity to study for the past 10 years the working boy of the United States, especially what I call the underprivileged boy. In this connection I have found that thousands and thousands of boys were going to employment agencies, and they are steered into what I call "blind alley" and harmful jobs. The boy starts out and he goes into the blind-alley jobs and stays there until he is 18 years of age, and finally he runs up against the brick wall at the end of the alley and has to change around. This causes numerous turnovers.

It is not supposed that any employment system will entirely solve this problem, but it is a fact that there are already 500 offices of the United States Employment Service directing the boys, thousands of boys, who are being placed. Are we going to direct them like men or treat them like men? A man is supposed to know his own mind, while the boy does not know very much about the various industries.

I was thoroughly shocked during the war to find that the United States Government, before the junior section was started, was placing boys in thousands of positions where they had no reason to be.

Senator SMITH. You said the United States Government?

Mr. HALL. I mean the United States Employment Service.

Senator SMITH. That is what I wanted to know.

Mr. HALL. These boys, if they had a counselor to look especially after juniors, it would have kept these boys from going to places where their careers had been ruined. I refer to the thousands of boys that were sent to Hog Island and the various ship yards, and who had to bunk with men, and had to go into a shack where the men would come out of a bed and the boys would go into the same bed and so on.

Mr. HERSEY. But your employment service must find a place for the boy called for by the employer?

Mr. HALL. There are boys and boys. We will go into one of our employment offices in Chicago—that is when the junior section is operating. We walk into a room of the junior section, and there are 25 boys in the outer office. A boy steps up to the desk and he is asked "How old are you?" He answers "18 years old." Then he is asked "Do you want a position?" His answer is "Yes."

"What kind of a position do you want?" he is asked.

He answered that he wanted to be a bell boy. Then he is asked, "What kind of an education have you had?" He answers, "I have been at the Lane Technical High School." Then he is asked, "Have you ever had any experience on the drafting board?" He answers, "Yes; I have had two years' experience."

Now, this actually happened. Then we asked him, "What do you want to be a bell boy for?" "Well, I like to be around a hotel," he said. Remember this is an actual case that I am telling you about. We got a position for that boy as an apprentice in a machine shop.

Mr. HERSEY. You had an opening for him?

Mr. HALL. Yes; we had an opening for him.

Mr. HERSEY. But if you had not an opening for him—

Mr. HALL. But it is easy to place boys. There are usually plenty of openings for boys. He went into this machine shop and he got a position where he had a future. Otherwise, he would have gone into that hotel and would be nobody.

Mr. HERSEY. Why did you send him to a machine shop?

Mr. HALL. Because he was going into the drafting room as an apprentice, where there was a future.

Mr. HERSEY. But how did you know that he was adapted to that work?

Mr. HALL. Because we went over his training at the high school and we found out what he had done.

Senator KENYON. Had he graduated from the high school?

Mr. HALL. No; he had not.

Senator KENYON. Would it not have been better for him to have gone back to the high school?

Mr. HALL. Yes; it would have been better, but he had to earn a living.

Senator KENYON. Did you go into that question with him, whether it would have been better to have him go to a high school?

Mr. HALL. Yes. With each boy, we try to keep him in school. We always try to keep the boys in school if they can stay in school. But if he has to earn his own living, we try to put him where he will have the greatest future.

In cooperation with the public schools, whereby they have a counselor in touch with our offices, we are able to have somebody to whom a boy or a girl can go who knows about the different industries and knows the kind of jobs for them to keep away from. Certain kinds of boys make good tool carriers, and with other kinds it would be their ruin. It is a blind-alley job.

Now, it seems to me that it is the duty of the United States Employment Service, as these people go through, to have somebody to give them some such advice.

Mr. MACCARTE. Has not the Y. M. C. A. for 20 years been doing that through their industrial department?

There are three or four million boys working in gainful occupations. The Y. M. C. A. membership fills only a very small percentage of that amount. I do not suppose it would run over 10 or 15 per cent.

Mr. MACCRATE. Well, there have been other private agencies doing this kind of work for 20 years, have there not?

Mr. HALL. If they are doing it, at the same time we will show you that thousands of men are going through the United States employment office and not being guided except what we have originated in the United States Employment Service, and there seems to be some central national viewpoint to look after this matter, or there ought to be some agency to take it up.

Senator SMITH. It is not your theory that we should develop an employment bureau big enough to handle the individuals, but rather to provide a bureau that would stimulate existing agencies throughout the land?

Mr. HALL. Yes, and I would have in all the larger employment agencies—

Senator SMITH (interrupting). Stimulate and coordinate?

Mr. HALL. Yes, sir; and I would have in all the larger employment agencies an individual who would be a junior counsellor, familiar with the different trades, and who would know the bad factories where a boy should not be sent, and would have some experience in sizing up boys.

Mr. MACCRATE. About what percentage of boys between the ages of 14 and 21 do you think would go outside of their State limits?

Mr. HALL. I do not believe a very large percentage would go outside of the State, and the United States Employment Service would try to get them to stay in their State.

Mr. MACCRATE. But how would a Federal bureau function different from a State bureau—

Mr. HALL. I wish you would remember that there are but 14 States that have any comprehensive employment system, and there are 27 that have something of an employment system, with one or two officers. You take in all of these cities that are being left out of being covered by any employment service at all, there is no contact with any placement agency. You speak of the State employment services as existing. Two-thirds of them have not any employment agencies, and they may have only one in one city, or two cities, and until some Federal aid comes along, or some stimulation, they won't have any for years.

The CHAIRMAN. Can you put them into the record—the cities that do have them?

Mr. HALL. Yes; I am going to make another statement later on.

Mr. NOLAN. Have you had any practical experience yourself as an employer?

Mr. HALL. Yes. During the war I employed between five and six thousand men.

Mr. NOLAN. In what line of business?

Mr. HALL. Well, I would have to read it off, or put in a list.

Mr. NOLAN. But in the manufacturing line?

Mr. HALL. Yes; manufacturing.

The CHAIRMAN. We will get that in your statement?

Mr. HALL. Yes, sir.

Senator SMITH. What was your line of business before you came into the National service?

Mr. HALL. I am president of the Trojan Powder Co., president of the Trojan Chemical Co., and I am president of the Stackpole Carbon Co., and vice president of the Durion Castings Co., and vice president of the Kaul & Hall Lumber Co., and vice president of the Portland Lumber Co.—well, there are a lot of others.

Mr. HERSEY. Quite a number more?

Mr. HALL. Yes, sir.

Mr. HERSEY. All manufacturing?

Mr. HALL. All manufacturing.

Mr. HERSEY. And employing a great number of men?

Mr. HALL. Between five thousand and six thousand.

Mr. HERSEY. Through you?

Mr. HALL. I do not actually employ them.

Mr. HERSEY. You clear them?

Mr. HALL. Yes, sir.

Mr. HERSEY. And you belong to the Federal Employment Service?

Mr. HALL. I joined the Department of Labor and became interested in employment matters.

Mr. HERSEY. I am asking you about the present.

Mr. HALL. Yes, sir.

Mr. HERSEY. And you went into the Federal Employment Service in order to get the private employees—

Mr. HALL. Indirectly.

Mr. HERSEY (continuing)—through you?

Mr. HALL. The local States and communities—

Senator SMITH. You are not there for the purpose of getting men for the companies you are interested in?

Mr. HALL. I came here in order to do my bit during the war.

The CHAIRMAN. And will you also put into the record the number of men that the Federal Employment Service sent into Oklahoma this year and last year, and 1917?

Mr. HALL. Yes, sir; I will be very glad to do that.

Mr. SIMPSON. I would like to have him make a statement of what he thinks of the service out in Oklahoma.

The CHAIRMAN. Yes. Have you that information?

Mr. HALL. I regard the service in Oklahoma—

The CHAIRMAN (interrupting). What service?

Mr. HALL. The United States Employment Service is not as efficient as it should be.

Mr. MACCRATE. Under the rules and regulations that the department might lay down under this bill being considered, you could remedy those conditions by making the State conform to your ideas, could you not?

Mr. HALL. As I look at this employment bill, it will be a matter of agreement between the Secretary of Labor and the governor of each State as to the regulations. I think that the intent of the bill as to direction of regulations on which they operate looks to a uniform method of keeping records and managing the clearing house. I believe it will work out that anybody who is not friendly with the governor—who is not satisfactory to the governor—will not be appointed Federal director in any State. He does not have to come under the Employment Service, and it will be a question or a matter of agreement as to the men who will be appointed.

Mr. NOLAN. Will you cover that matter and state as to whether it is the intention of the United States Employment Service to have a Federal director in each State, and whether it is the purpose of permitting the State to pick its own director in order to get the Federal aid? Would you give us that information, as to what your plan is, if any plan has been worked out, as to how many there will be—

Mr. HALL (interrupting.) I will be very glad to furnish that.

Mr. NOLAN. We want to find out whether the United States is going to have, in addition to the State organization, another Federal organization within each State.

Mr. HERSEY. If he has charge of it.

Mr. NOLAN. I want to find out what the United States Employment Service is going to do—

Mr. HALL (interrupting). Did not Mr. Smyth cover that point in his statement?

Mr. NOLAN. I do not know. I did not happen to be here that morning.

The CHAIRMAN. We are very much obliged to you, Mr. Hall, and we will hear more from you.

(Thereupon, at 11.50 a. m., the hearing adjourned; subject to the call of the chair.)

NATIONAL EMPLOYMENT SYSTEM.

THURSDAY, JULY 10, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to the call of the chairman, at 10 o'clock a. m., in room 127, House Office Building, Hon. J. M. C. Smith presiding.

Present: Representatives Watson, Carss, Gould, Bland, MacCrate, Casey, Maher, and Murphy.

Also present: Acting Assistant Director General William E. Hall, United States Employment Service; Mr. Louis T. Bryant; Director General J. B. Densmore, of the United States Employment Service; and Mr. Royal Meeker, Commissioner of Statistics of the United States Department of Labor.

The committee continued consideration of the Senate bill (S. 1442) to provide for the establishment of a national employment system, and to provide for the cooperation of the States in the promotion of such system and to regulate the expenditure of moneys that shall be appropriated for such service; and the Senate bill (S. 688) to provide for a national employment system; and House bill (H. R. 4305) to provide for the establishment of a national employment system and for cooperation of the States in the promotion of such system, to regulate the expenditure of moneys that shall be appropriated for such purposes.

The CHAIRMAN. The committee will come to order.

Mr. HALL. I would like to have the committee hear first this morning Gen. Louis T. Bryant.

STATEMENT OF MR. LOUIS T. BRYANT, COMMISSIONER OF LABOR OF THE STATE OF NEW JERSEY.

The CHAIRMAN. You will please state your name.

Mr. BRYANT. Louis. T. Bryant.

The CHAIRMAN. And your residence, please?

Mr. BRYANT. Atlantic City.

The CHAIRMAN. And will you please state your business?

Mr. BRYANT. I am commissioner of labor of the State of New Jersey, and will have been such 16 years in January.

The CHAIRMAN. How were you placed in that position?

Mr. BRYANT. I was appointed by the governor of the State, confirmed by the Senate.

The CHAIRMAN. Whom are you representing here, Mr. Bryant?

Mr. BRYANT. I have been asked to come here by the Federal Employment Service.

The CHAIRMAN. We will be pleased to hear your statement, Mr. Bryant.

Mr. BRYANT. I take it from the remarks made that you do not want to receive expressions of opinion from me as to the necessity for the State employment service.

The CHAIRMAN. Yes; that is what we want.

Mr. BRYANT. I mean the necessity of an intrastate service. Do you want an argument in favor of that?

The CHAIRMAN. We will receive whatever statement you wish to make; whatever statement you care to outline.

Mr. MACCRATE. Would it in any way confuse you if we should ask you to state first why we should have a Federal Employment Service?

Mr. BRYANT. If you do not mind I would like to say a word as to the necessity for the service in the State; why I think the State work should be coordinated to the Federal Service.

The CHAIRMAN. You may go ahead in your own way, Mr. Bryant.

Mr. BRYANT. I would like to say with respect to my 16 years of service as Commissioner of Labor that the most unscientific, the most wasteful, and the most uneconomical feature of industry, I believe, is the old style of hiring and firing labor; of having men who want employment walk from gate to gate. Logically they can not visit more than perhaps one or two factories a day; and by the time they find employment, if they do, at least a day is wasted, and that day is frequently multiplied by several days.

I believe there should be in each community a labor exchange to which a man would logically go when out of a job, and to which the man who is looking for workmen would go, where he would find the available supply of labor before him. I can not see any argument against that as a municipal or State proposition.

The reason I think that should be extended to the Federal Service is on the same principle I think there should be a State service, because if you have purely municipal service, a man may be without a job in one city and not able to find a position, whereas there will be a position open to him in an adjacent city. If there is no co-ordination there will be no way by which a man will know of that open position in the adjacent city. In New Jersey we have been able, constantly able, to shift men from one city to another whenever necessity arose.

Mr. GOULD. Was that prior to the war?

Mr. BRYANT. The service in New Jersey was prior to the war.

Mr. GOULD. We want to consider this now as a peace-time proposition.

Mr. BRYANT. I realize that. Of course, the war is over. I do not think that could materially affect it, because there are similar situations in peace times. For instance, at the present moment there is a very great demand in Newark for jewelry workers which can not be supplied; they can not get enough men to operate the jewelry factories. Newark is one of the great jewelry centers of the country. If these men could be obtained elsewhere it would certainly add very much to the business success of the country.

Mr. GOULD. Is there a union in that trade?

Mr. BRYANT. There is a union; yes.

Mr. GOULD. But you do not know how extensive it is?

Mr. BRYANT. I do not think the jewelry union covers anywhere near the number of people engaged as jewelry workers.

Mr. GOULD. In my own business we have a molders' union, and when we want men the request is distributed around the country to them.

Mr. BRYANT. I know there is a union, but I think it has been very recently organized. I do not think it covers a material number of workers. There is a great shortage of jewelry workers in Newark. The people have plenty of money and they are buying lots of jewelry. That is an evidence of good times, as some gentlemen say.

In your industry, for instance, take the foundry men, there is always a certain migratory class floating around the country.

Mr. GOULD. Yes; we can not avoid that.

Mr. BRYANT. There is probably more than we like to see, but I do think there should be some method of having more coordination of effort between the cities so that a man and a woman should have an opportunity, should lose just as little time as possible, in getting work. That is a sound economic principle. In other words, if every man is made to work in this country, when otherwise he would be idle, the country is just that much richer; he will get his daily wage; the employer will get his increment of profit, and naturally the whole community is better off. That man will have money to spend. Whenever he is out of a job he has no money to spend, and therefore the circle is broken; and it does not take very many instances to make a very material disarrangement in the circle. It does seem to me that the same sort of coordination ought to obtain between the States as now obtains between the cities.

As to the matter of detail, as to how that should be worked out, I believe there should be a State administration; there should be a man in each State—or an organization, commission, or something of the kind, in each State—which would have charge of the employment service and would carry the employment service into the State. If there is a shortage of labor or an oversupply of labor in that State, it should be handled, first between the cities, because I think everything should be done to keep a man in his own town, so as not to cause shifting of labor more than is necessary, although I do think there are times, frequent times, when it would be to the advantage of the whole country to have men sent from one State to another. If you have no coordination, if you have no organization through which this exchange can be made, it simply can not be made. There must be some clearance arrangements.

I do not always agree with some of the advocates of the system as to how that clearance should be accomplished, but I believe there should be some machinery for making that clearance between the States.

Mr. MACCRATE. May I interrupt you to ask this: In the matter of laying down rules and regulations for the operation of this employment service, do you feel that the central body here in Washington should lay down these rules and regulations or that the individual States should lay them down without interference?

Mr. BRYANT. I believe that there should be uniformity in this matter throughout the entire United States. I am a confirmed be-

liever in that, not only in the matter of the Employment Service, but in the matter of industrial relations, child labor, and things of that kind. It is a bad thing for industry for one State to have a different method from another. Some of the regulations which have been laid down here do not altogether fit in with my ideas. I never was in favor of the strike order. I believe it was a mistake; I believe it gave some ground—certainly I do not know anything about any State except New Jersey—but I know in New Jersey that it gave grounds for the assumption that the Employment Service throughout the country—and those who generally have protested against it are people who have not inquired into it—was run in the interests of organized labor, that it was controlled by organized labor, and that there was a very decided preference given to organized labor.

Now, that is absolutely and positively not true in New Jersey, because the number of men who are employed in the service—that is, men having union cards—is very small. I think it would be less than 5 per cent in the entire State. I have always been an employer and I have no union affiliations. The assistant director has always been in the employer class, and there is no reason for that belief except for that one policy.

Mr. MACCRATE. The bill that we are considering provides that appropriations may be withheld if the States refuse to conform to the rules and regulations laid down by the national body. You have your idea as to that strike provision, and that idea agrees with that of the director of Ohio. Do you feel that New Jersey and Ohio should be refused an appropriation by the National Government because the ideas held there do not conform with other ideas?

Mr. BRYANT. I have read this bill and I do not know whether any changes have been made since I last saw it or not. I substituted for one of the members in the preparation of the bill, and the original bill contained provision for an advisory commission which was supposed to represent both the employer and the employee for the formulation of principles. I thought that was a splendid provision in that bill, for the purpose of obviating just the situation that you refer to. When the employers felt that they had some representation in the formulation of these rules I do not think that they would object to them.

Mr. MACCRATE. But the bill as we are considering it now has no such provision in it.

Mr. BRYANT. No; I think not. The original bill, as we recommended it, did have that in there, and somebody must have taken it out. I am still very strongly in favor of it.

One of the best things in the employment service was the community labor board, where they had representation for the employer, the employee, and a disinterested party. That obviated any criticism with respect to favoring organized labor.

The CHAIRMAN. Do you know whether the manufacturers in your State are in favor of this bill or not?

Mr. BRYANT. Of this bill?

The CHAIRMAN. In favor of an employment service?

Mr. BRYANT. I would say, individually, a very, very large percentage of manufacturers are in favor of an employment service. I should possibly supplement that by saying that, collectively, as

represented by their organizations, that they are all opposed to it for the reason that they feel that domination by Washington, through the present organization, is going to build up the union machines. That is their viewpoint.

Mr. Hall handed me last night a communication from the Employers Association of the city of Paterson in which they protest against the appropriation of \$15,000,000 for the continuance of the United States Employment Service for the ensuing year, "as the usefulness of this organization is now at an end and its continuance would be a needless expense, the general opinion among the business men of this city is that any such appropriation should be withheld." That is the collective viewpoint of the situation.

Just prior to coming here I got a statement from the examiner in charge of that office—

The CHAIRMAN. Of what office, please?

Mr. BRYANT. Of the city of Paterson.

Mr. GOULD. The Employers' Association of the city of Paterson?

Mr. BRYANT. Of the Employers' Association, signed by Albert L. Wyman.

The CHAIRMAN. The communication you are now referring to is from the same office?

Mr. BRYANT. From the examiner in charge of that office.

Mr. MACCRATE. You do not mean the examiner in charge of the Employers' Association?

Mr. BRYANT. Not the Employers' Association, but the employment office. He is a Federal employee. He was a city employee, but during the war he was transferred to the Federal institution. I have not his communication, but I have with me a statement of the business done in that office, which shows that in a city of 125,000 inhabitants the business of actual placements—and these placements are all checked up, and are not "phony" or wrong—amounted to approximately 26,036 for the period from the first of June, 1918, to the end of May, 1919. In this communication he also advised me that the commissioners of the city of Paterson had voted \$1,000 out of their budget to help pay for the office for the coming year, so that the work might be continued in the city of Paterson. That was the same amount appropriated during the war.

The CHAIRMAN. I will ask you to leave those communications with the reporter so that they may be inserted in the record.

THE EMPLOYERS' ASSOCIATION OF PATERSON,
EMPLOYMENT BUREAU ASSOCIATED WITH THE
FEDERAL-STATE-MUNICIPAL FREE EMPLOYMENT BUREAU,
Paterson, N. J., February 13, 1919.

DEAR MR. GALLIVAN: At a recent meeting of the executive committee of the Employers' Association of Paterson the inclosed resolution was adopted by unanimous vote relative to the requested appropriation of approximately \$15,000,000 for the continuance of the United States Employment Service for the ensuing year.

As the usefulness of this organization is now at an end and its continuance would be a needless expense, the general opinion among the business men of this city is that any such appropriation should be withheld.

Very truly, yours,

THE EXECUTIVE COMMITTEE OF THE
EMPLOYERS' ASSOCIATION OF PATERSON.
ALBERT L. WYMAN, *Secretary.*

Whereas the Department of Labor is now asking for an appropriation of approximately \$15,000,000 for the maintenance of the United States Employment Service during another year; and

Whereas the war emergency which made necessary the speedy distribution of labor from nonessential to war industries through some such agency as the United States Employment Service, is now over, and the redistribution of labor to peace industries is following normal channels; and

Whereas if the Army and Navy Departments will arrange to discharge returning soldiers and sailors in their home localities, as suggested by leading labor men, these returned fighters will find their former employers ready to give them their old positions back, or work equally as satisfactory; and

Whereas the United States employment Service has fulfilled its mission, it should not now become a fixed expense in our national budget, as it is likely to be if continued another year: Therefore,

Be it resolved, That we, the executive committee of the Employers' Association of Paterson, N. J., representing all branches of industry in this city, hereby protest against the continuance of the United States Employment Service, and hereby request our Senators and Congressmen from New Jersey to vote against this appropriation, and to bring our protest to the attention of the members of the Committee on Appropriations in Congress on the ground that it is a needless expense.

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Paterson, N. J., June 19, 1919.

HON. C. L. NEWMAN,
Mayor, City Hall, Paterson, N. J.

MY DEAR MAYOR: In view of the fact that the city of Paterson appropriated \$1,000 toward the maintenance of the Federal, State, Municipal Employment Bureau, located in the Odd Fellows' Building, 133 Ellison Street, I am here with submitting a report of our activities from the opening of the office June 1, 1918, until May 31, 1919, inclusive.

Month.	Male department.		Female department.	
	Regis- trants.	Place- ments.	Regis- trants.	Place- ments.
June, 1918.....	1,991	269	896	202
July, 1918.....	1,114	1,063	665	465
August, 1918.....	2,519	1,947	788	582
September, 1918.....	2,212	1,472	644	486
October, 1918.....	2,078	1,357	906	496
November, 1918.....	2,392	1,368	785	573
December, 1918.....	3,243	1,676	823	722
January, 1919.....	4,376	1,918	1,031	640
February, 1919.....	2,549	1,109	901	673
March, 1919.....	1,730	1,478	908	666
April, 1919.....	2,219	2,156	816	686
May, 1919.....	2,578	2,452	827	715
Total.....	29,579	18,895	9,563	7,141
Grand total.....			39,162	26,086

The benefits to both employer and employee of the maintenance of the bureau is generally known.

We have cooperated in every way with the board of health, police department, charity organizations, Red Cross, and various other county and city departments and organizations.

Numerous cases of real want and destitution have been handled by us successfully.

From the beginning of our operation to the time of the signing of the armistice we used our every effort toward aiding the various ammunitions and other war manufacturers, at the same time endeavoring to aid the permanent peace industries, thus aiding the production of the one and endeavoring to keep up the production of the other.

Many young women were through our efforts induced to go into ammunition works and aid production, whereas they would have under ordinary circumstances remained idle.

I am herewith presenting a report of our work for the returning soldiers, sailors, and marines, in whose efforts we have since November 11, been making every effort:

November 11 to May 31: Registered, 2,027; placed, 1,358.

This includes those who have been wounded, gassed, or in some other way been disabled. This does not include those men who through our advice have returned to their old positions which in their case was the best procedure.

Respectfully, yours,

JOHN C. WEGNER, *Examiner in Charge.*

Mr. MACCRATE. Are these placements made only by the Employment Service staff, or are they made by the associated groups, such as the Knights of Columbus, the Y. M. C. A., the Salvation Army, and so forth, who use the cards of the Employment Service?

Mr. BRYANT. The way we have worked it in our city is that all the agencies have been brought right into the employment office. In Newark, for instance, we hired an entire floor; we had the same telephone exchange, and we put three of our placement workers right in to work with these combinations of various agencies. The placements were all grouped together and they all went into the work of the office. Of course, that condition only existed for three or four months, perhaps.

Mr. MACCRATE. Do you find that the voluntary coordination of these associations still exists, or is it being withdrawn the further we get away from the war?

Mr. BRYANT. In our State they still exist. One of the reasons we were anxious to have paid services is the one you have just intimated, that where a man is doing something in a voluntary capacity, after his enthusiasm wears off, he is liable not to be so regular in his services. Therefore, we have in each of these offices men who are paid either by the State, the Federal Government, or the municipality.

I might add that in our State we have always operated, even during the war, on the combined system of Federal, State, and municipal. We do not put an office in a single city where they do not do something toward the support of it. In some instances the office has supplied, in some instances the telephones, and things of that kind.

Mr. MACCRATE. Are those 26,000 placements in the City of Paterson subdivided in such manner that you can give us the number from June, 1918, up to December 31, 1918?

Mr. BRYANT. Yes; they are indicated by months.

Mr. MACCRATE. What percentage would it be from January of this year up to the date of that paper?

Mr. BRYANT. I will read it to you by months.

Placements, males:

June, 1918, 869.
 July, 1918, 1,083.
 August, 1918, 1,947.
 September, 1918, 1,472.
 October, 1918, 1,367.
 November, 1918, 1,368.
 December, 1918, 1,676.
 January, 1919, 1,918.
 February, 1919, 1,108.
 March, 1919, 1,478.
 April, 1919, 2,156.
 May, 1919, 2,452.

I am herewith presenting a report of our work for the returning soldiers, sailors, and marines, in whose efforts we have since November 11 been making every effort:

November 11 to May 31: Registered, 2,027; placed, 1,358.

Mr. BRYANT. That office was operated by three men and one woman and a stenographer. Part of the time there was a second woman, but she was not very successful and we dismissed her.

Mr. GOULD. What would that make the cost per placement?

Mr. BRYANT. I think somewhere around 40 cents. I have not figured that out, but it can be easily figured. There was one \$1,800 man in charge, one \$1,500 man, and one 1,300 man. The head of the women's division got \$1,500 and the stenographer got \$75 a month. The other woman, who was there part of the time, got \$1,200. I think it would figure out about 40 cents.

Mr. MACCRATE. But when you take into consideration the voluntary help and the prices you would have had to pay for services without that help—

Mr. BRYANT (interrupting). Yes; but I do not think we had any voluntary help in these offices previous to the last three or four months. The New Jersey troops were among the last troops to come back and they have been coming back, I guess, about four months.

Mr. MACCRATE. The cost per placement is a hard thing to figure?

Mr. BRYANT. It is a hard thing to figure.

Mr. MACCRATE. Especially in view of the voluntary efforts that have been made?

Mr. BRYANT. Yes. We have always tried to get all the voluntary efforts we could.

I believe that one of the greatest advantages of the Employment Service is frequently overlooked, and that is the necessity on the part of the great number of people to have some one looking after them. Some of them are really not capable of looking after themselves. We have endeavored to have a handicap division, where people who come in with some physical handicap receive special efforts in the way of finding something that they can do. I do not think any person has ever been brought into the office when we did not find something for them to do. In Newark alone we placed 150 Florence Crittenden girls in one year. We found jobs for them out in the country, on the farms. They were not all Florence Crittenden girls. Some of them had legitimate children, and others were women who had been deserted by their husbands. We found places for them in the country where they could take their babies and start life again. I think if the Employment Service does nothing more than that it will be well worth while.

Mr. MACCRATE. The cooperation of the employers is absolutely essential?

Mr. BRYANT. Absolutely; and that is the reason I think there should not be any more friction than is absolutely necessary between capital and labor if we are going to get the best results in this country.

Mr. GOULD. If the employers do not use the organization there is no sense in having it?

Mr. BRYANT. No. You can not run it on one side.

Mr. GOULD. And you can not make it mandatory, of course.

Mr. BRYANT. I had not finished my statement. This letter was signed by Mr. Wyman—I refer to the letter of protest against the

appropriation of \$15,000,000; and Mr. Wyman is secretary of the Employers' Association of Paterson. They have maintained their offices for some years in Paterson.

The CHAIRMAN. Private offices?

Mr. BRYANT. Yes; by the employers.

The CHAIRMAN. That was established before the establishment of the Federal law?

Mr. BRYANT. Yes, sir.

The CHAIRMAN. What do they charge?

Mr. BRYANT. Nothing. They just place for their own members.

Through my long service in the State I know nearly all the manufacturers. I went to them, and I said:

This is an unnecessary expense for you to have an office; it is simply bringing labor into two offices instead of one. Why don't you do this: Why don't you move your office into our office, put your placement men there; we will give them a desk and charge nothing. In that way the labor will be directed to one point. The man who represents your membership can be there to take such men as he wants, and then our clerks will be able to make a better distribution of the labor.

They said they thought that was a good thing, and they did it. Their representative was in our office during the entire period of the war. Certainly if there had been any effort to run anything except an absolutely open proposition, we would not have made that suggestion to an association embracing nearly every manufacturer in the State of New Jersey.

The CHAIRMAN. What did you say was the basis of the protest—the unionizing?

Mr. BRYANT. Yes. I went to see the vice president of this association, Mr. Ferguson, who has been one of the industrial commissioners, and they afterwards appointed three men to advise as to the best method of meeting this situation—

Mr. GOULD. He is a contractor, is he not?

Mr. BRYANT. Yes; he is one of the largest contractors and builders in the country, and a wonderfully high type of man.

The CHAIRMAN. What was his reply to you?

Mr. BRYANT. I went to see him, and I said "I see the Employers' Association have voiced a protest against this bill." He said "Yes; they have." I said "Do you acquiesce in that?" And he said, "Yes; I do." I said "How do you possibly arrive at that conclusion, after you have been in conference with us during the entire period of the war and you know what our organization is and what we are trying to do, and all we have actually done in the State of New Jersey and with respect to the general industrial situation?"

He said, "This is not a protest against the work in New Jersey." I said "How can you figure that out? I represent the Federal Government in New Jersey. I have been absolutely untrammelled, as you know. They have allowed me to do about as I pleased, and if the work in New Jersey has been a failure I am responsible for it, and nobody else." He said that they had not looked at it in that way at all. He said "We are not opposed to that. We are simply opposed to the unionizing of this Employment Service."

The CHAIRMAN. That leads to a question I would like to ask you. From your acquaintance with the service, since you have had control or have been manager or director of the Federal Employment

Service in New Jersey, what has been done by the Federal bureau toward unionizing any of the men, to your knowledge?

Mr. BRYANT. Absolutely nothing.

I do not know what percentage—

The CHAIRMAN (interposing). You are not a union man yourself?

Mr. BRYANT. Absolutely not. I have been an employer of labor always—all my life.

The CHAIRMAN. You make no distinction and do not ask a man if he belongs to a union?

Mr. BRYANT. Certainly not. I do not know the figures for the last month, but for the months previous we placed 21,000 men, in spite of the agitation and disruption. I do not know what percentage of those people were union appointees, but I would wager that there were not 5 per cent of them union men.

The CHAIRMAN. Why did this man make that statement to you, with respect to organized labor and his objection to it?

Mr. BRYANT. Because of the idea these men have that the Employment Service is run in the interest of organized labor.

Mr. CARSS. Do you at any time favor organized labor in any way?

Mr. BRYANT. Did I?

Mr. CARSS. Or did your department?

Mr. BRYANT. Absolutely, no. If I found a man favoring organized labor, I discharged him, and they all knew it.

Mr. BLAND. Have you extensively organized union labor in your State?

Mr. BRYANT. Probably as much so as any State in the Union.

Mr. BLAND. You haven't any coal mines?

Mr. BRYANT. No. We have very few mines, and we have no coal mines.

Mr. BLAND. I have had a great many protests from employers of labor, from all over the State, engaged in different kinds of business, for instance, stone quarries, manufacturing plants of all kinds, etc., to the effect that the Service will not do them any good; that it is expensive; that there is no cooperation between the employer and the agencies; and that it is being used for a political machine and to further the ambitions of labor leaders.

Do you think, in view of the opposition that is manifested against a Federal bureau of this character, that you can have such cooperation between the employer and the bureau as to really give efficient service?

Mr. BRYANT. You mean if that actually exists, if there is real opposition of that kind?

Mr. BLAND. Yes.

Mr. BRYANT. I think if that opposition really existed continuously it would be almost impossible to do it.

But I do not believe it does exist. I am talking about New Jersey. I know it does not exist in New Jersey. I do not know about Indiana.

(Discussion followed off the record.)

Mr. BLAND. Most of the employers of labor, I take it, are opposed to this?

Mr. BRYANT. I do not think so at all.

Mr. HALL. I do not admit that.

Mr. BRYANT. I think a very, very large majority of them are in favor of it, and I would wager that the protests you have received are from organized employers.

Mr. BLAND. Stone quarries?

Mr. BRYANT. Are not they members of the National Manufacturers' Association?

Mr. BLAND. No. They may be members of some quarry association, and I think only a part of their labor is organized. From the information I am getting in the mail from Indiana it seems to me that practically all of the employers are opposed to it. Now, if that is true and we establish this permanent system on the scale that is contemplated, do you think that those fellows, if they are afraid of it because of the character of labor you send them, or of how you are going to organize that labor, are going to deal with you after the system is started?

Mr. BRYANT. They are dealing with it in New Jersey now.

Mr. BLAND. But referring to the particular ones that you say are possibly organized, are they going to deal with you and get help from you, if they are afraid of you now?

Mr. BRYANT. You know how some of them do get their help, do you not?

Mr. BLAND. From private employment agencies, State employment agencies, and the Federal Employment Service; and some of them, of course, take the labor when it comes to them.

Mr. BRYANT. It seems to me you are guaging this thing entirely from the viewpoint of the manufacturer. How about the man looking for a job? Is not he entitled to consideration?

Mr. BLAND. But you would take the men to the manufacturer?

Mr. BRYANT. Certainly.

Mr. BLAND. And would he hire the man if he had that prejudice? We just want to get at the facts.

Mr. BRYANT. I would like to refer to another proposition in Paterson. I have spoken about the individual manufacturers being in favor of it, and collectively being opposed to it. I received to-day a letter of protest, a very strong letter of protest, against the expenditure of the \$14,000,000—I see it is \$15,000,000—and I was surprised, because the gentleman who had sent the letter was a warm personal friend of mine, a man who had had the very closest relations with the Department of Labor for years and had always supported me in every kind of welfare work which we had started in the factories, such as putting in dressing rooms, washing rooms, shower baths, fire-protection apparatus, etc.

I was so upset that I went to see him the same day I got the letter. I went into his office, and because of the relation of friendship which we occupied, we talked about the situation perhaps a little differently than we otherwise would have talked. I asked him why he wrote the letter. He said, "Well, we believe that the Employment Service fixes rates; that is one of the charges made against the service." I said, "How could you say that the service fixes the rates? If you send down to us and want to hire a laborer at 70 cents an hour, all we can do, acting as your representative, is to send a man there for 70 cents an hour, if he will take the work. Do you know of any instance where they have fixed rates?" Well, he didn't exactly know, but at one time there was a colored girl sent

there to clean up the office; she came in and she told him that the placement clerk down there had said that she would get \$2 a day for doing that work. That was the day rate for day workers, and I suppose he told her that she would probably get that. I said, "Don't you think it is rather a small thing for you to be opposed to the employment office because of that, because she was told that she was going to get \$2 a day for that work?" He sent for his superintendent, and he said, "Well, we haven't had a great deal to do with it, and do not see the necessity of it. We have had a little labor from there, some of it good and some of it otherwise." I said, that was possibly true, and asked them if they got good labor every time they hired it themselves, and they said they did not. I said, "We can not send you any better labor than exists; all we can do is to give you what is available at the time." Finally I said, "You never wrote that letter. You know too much about it. I have been in Federal work ever since I have been in the Employment Service, and you know as much about it as I do. You are a manufacturer of silk machines and you are not giving up your time to the study of National economics. That letter was not written by you." He laughed and said yes, that it was sent to them by their organization, and he sent it in.

As a matter of fact, he did not know anything about the service at all, but finally he said, "To tell you the truth, I do not see where we need the service. We have more men than we can possibly employ. Men are at our gates all the time looking for jobs. What do we want with the service?" I said, "And how about the man who is at your gates looking for a job? Is that man entitled to any consideration? Should there not be some means provided by which these men can get employment quickly? You say you do not have any interest in the matter. Don't you have interest in this: That these men are multiplying all over this country, and when each and every one of those men loses a day's employment the country loses that much wealth? It seems to me that is the logical way in which this thing ought to be looked at."

Mr. BLAND. You think that this prejudice which manifestly exists can be removed and will be removed?

Mr. BRYANT. I think it can be removed.

Mr. BLAND. If it is actuated by a fear of the bureau becoming interested in the unionizing of labor and fixing prices, would you suggest any clause in the bill that could in any way regulate or affect that, so as to remove such a possibility?

Mr. BRYANT. Yes; I can. I can suggest, I think, a very material clause in the bill: To have an advisory board for all departments, which will consist of employers—

Mr. BLAND. An advisory board to the—

Mr. BRYANT. To the director of employment, whoever he may be, of the Federal director, so that when these rules are formulated the employers of the country will know that they have representation.

Mr. BLAND. That is practical, and I wanted to get your suggestion.

Mr. BRYANT. That is what we do in New Jersey.

Mr. CARSS. Do you admit there is real prejudice or objection among individual employers against the establishment and maintenance of this service?

Mr. BRYANT. I think with some of them, yes. I think a great many of them have taken as gospel what they have been told about this matter without investigating it.

Mr. CARSS. In that case you would not consider it a real objection, would you?

Mr. BRYANT. I had an interview with one of the representatives of the National Metal Trades Union, and I have no quarrel with them. They have asked me to deliver addresses at their annual conventions, which I have done. That is a manufacturers' organization which is all right, and I have no objection to it at all. They have offices at Newark, and their offices are considered probably the best in the country. He spoke about union labor, and I asked him how many union men he thought we have in the whole organization. He said, "I suppose about 60 per cent." I said, "Now, that is a positive libel on the service. I do not know definitely myself how many men have union cards, but I am going to find out to-day, and I want you to come down there with me." He said, "I wouldn't like to do that, because they might know about it and think I had started it, and it would prejudice our firm." He represented one of the large firms and was on the community board, and that is the reason I am so much in favor of having business representation in this work. The proprietor of one of the largest department stores in the community was with me, and I said, "You will have to come down with me." And he said, "All right; I will."

I telephoned to the people, to the examiner in charge, and told him to keep everybody who had any connection with the service there after office hours, that I wanted to talk to them. We went down there. This was the central office for the State of New Jersey, and they had about 38 clerks of all kinds, city, State, and Federal. Out of this number of men and women we found four union cards. One of them was a union hatter, who was handling unskilled labor, and it would not have made a particle of difference in the placements, because he never had handled union men. One was a woman, one was a carpenter, and the other a machinist—4 out of 38 clerks. That was the 60 per cent he spoke of, and that was the way the 60 per cent worked out. That man is one of our best friends; he is in charge of the community board in one of the adjacent cities, and virtually runs the employment service over in that town; yet he was probably the most bitter enemy we had in the whole State. He believed that the thing was run for union labor.

Mr. CARSS. He had evidently been influenced by the propaganda spread against it.

Mr. BRYANT. He believed what he had been told.

The CHAIRMAN. Is there anything else, Mr. Bryant?

Mr. BRYANT. I do not know of anything else, except one thing I would like to say with respect to how some of these protests are originated. The city of Newark is the largest industrial city we have in the State. I found that the executive committee of the board of trade of the city of Newark had protested against a continuation of the service. I immediately went to see the president of the board of trade, who is an intimate friend of mine and a large manufacturer. I asked him how it was possible they had protested, and he explained the circumstance. They have a rule there, it seems, to the effect that none of the ex-presidents are entitled to a vote. On the executive

committee I think there were eight men entitled to a vote. Of that number three were manufacturers, two presidents of banks, and I have forgotten the others. However, I am sure there were four manufacturers. It came to a vote, and one man, who was very insistent that the whole thing was run in the interest of organized labor, started this propaganda to have the board of trade go on record against it. They put it to a vote. Two manufacturers voted against continuance of the service. One manufacturer voted for the continuance of the service, and the two bank presidents, I believe, voted with the two manufacturers. That gave them a majority, and their vote prevailed.

Mr. BLAND. Was that after the war?

Mr. BRYANT. That was a protest against spending the \$15,000,000. over the signature of the board of trade of the city of Newark, with two manufacturers voting against it, and one manufacturer voting for it. People would say, naturally, who did not know the circumstances, that the board of trade, which is a large representative business organization, was opposed to the continuation of the service.

Mr. BLAND. To further strengthen the suggestion made a moment ago, I want to ask another question. It has developed in the testimony before this committee that there was some political criticism in Indiana about participation on the part of the organization in work on behalf of the Republican Party and criticism in another city over their activities in behalf of the Democratic Party. Have you any suggestion to make as to the best methods for keeping it out of politics if it is started?

Mr. BRYANT. As I understand the bill, the men who occupy clerical positions will be under the civil service. That would be so in my State.

Mr. BLAND. Including the heads of the service in the State? I thought those were to be under the State service and to be appointed by the governors of the States.

Mr. GOULD. But there are States in which there are no employment bureaus. What about the men not hired here? Would a director be appointed from here to be placed in the State where there was no such aid? Would he be under civil service—

Mr. BRYANT (interrupting). In New Jersey—

Mr. GOULD. I mean in any State.

Mr. BRYANT. I do not know about any other State than my own State. I have occupied this position, I presume, by virtue of my position of commissioner of labor, at \$1 a year. That has been my compensation.

Mr. BLAND. I can see where a very active, energetic man, in charge of this employment in a big city, where there is lots of labor employed along about election time, might be very harmful or helpful to a given political organization, influencing the labor. It would, of course, be the desire to keep an organization of this character free from politics if possible. Do you think, if this bill is drafted, there is sufficient guarantee that the men in charge of the States would be under any kind of civil service that would prevent them from taking part in political activities?

Mr. BRYANT. As I remember reading the bill, it does not state how the men are going to be appointed. I am talking about the men who would have charge of it. That struck me as being rather a weakness in the bill.

Mr. BLAND. Would you suggest that the man appointed to be the head of the Employment Service, say, in Indiana, should be required to take civil-service examination and hold his position under the civil-service law?

Mr. BRYANT. I would suggest that the men in the various States, in charge of this work, under this bill, should be selected by the governors of the States.

Mr. BLAND. But sometimes they would be selected because of their peculiar political tendencies.

Mr. GOULD. It says here that they shall be selected by the director general.

Mr. BLAND. That is in States where there is no State aid.

Mr. BRYANT. In the first place, take my own States as an example. You will not appropriate any more money than the State of New Jersey appropriates, and if the service is not useful to the State of New Jersey, the State of New Jersey will not appropriate any money for it. Therefore, the Federal Government would not appropriate any.

Mr. BLAND. Then you have no suggestion to offer along that line?

Mr. BRYANT. I believe the directors of the States ought to be selected by the governors, subject to the approval of the Federal director.

Mr. BLAND. But would that help the situation any?

Mr. BRYANT. On the question of politics, you might say the same thing about a factory inspector. I have an organization in my State with which I could turn hundreds and hundreds of votes, if I wanted to use it politically.

Mr. BLAND. We have some civil-service organizations which are reasonably free from politics. Do you know of any way that this could be made even as free, say, as "postmasters"?

Mr. BRYANT. I believe it is always better to have civil-service men, if you can make such provision. I do not know what the policy of Illinois or Indiana is.

Mr. BLAND. Do you know what the policy of the Secretary of Labor is with reference to putting a provision into this bill about putting all appointees under civil service?

Mr. BRYANT. I do not know anything about that. As I understand it, the money is paid into the State treasury, and then the personnel of the service is to be selected in such manner as are other offices selected in the State.

Mr. GOULD. It is testified here that it shall be based on a conference between the governor of the State and the director general, as I recall it.

The CHAIRMAN. Is there anything further, Mr. Bryant?

Mr. BRYANT. I think not, Mr. Chairman.

Mr. BLAND. I would like to have Mr. Densmore take the stand, as I desire to ask him a few questions.

STATEMENT OF J. B. DENSMORE, DIRECTOR GENERAL OF THE UNITED STATES EMPLOYMENT SERVICE.

Mr. BLAND. Mr. Densmore, you have been before the committee before?

Mr. DENSMORE. Yes.

Mr. BLAND. I want to ask you about two matters we took up here with other gentlemen this morning, and by reason of your association and affiliation with the organization I think probably you could give us some constructive help.

It develops that there is, I take it, a very decided and widespread opposition to this bureau from the employers of labor, probably largely through the propaganda of certain organizations. But, whatever the cause, there is a very decided sentiment against it. I think, probably, reading between the lines in a great many letters that I have received, it is because the employers fear that, through the Secretary of Labor and his association with organized labor, and possibly the men under him, that it would put this bureau in the hands of organized labor, and that some harm might result from that. Whether or not there is anything in this contention, do you have any suggestion as to what could be put into this bill to guard against that condition and to eliminate the prejudice and eventually secure cooperation of the employers as much as possible, in the event this bureau is established.

Mr. DENSMORE. Of course, in the first place, Mr. Bland, the charge is absolutely unfounded. I will not discuss the reasons for the organized propaganda, as you correctly term it, I think. It is there. What the reason is it is not necessary to state.

My idea of how to reduce or obviate the fear, if it is a legitimate fear, on the part of any employers, of the Employment Service getting into the hands of and under the control, either in whole or in part, of union labor, would be to develop what we have been developing and have been able to develop in the last six months. I am just thinking now of some of the offices, particularly the Providence, R. I., office, which, as you gentlemen know, is located in the center of the manufacturing districts where the so-called Metal Trades Association is perhaps as strong as it is any place in the United States. We did have very great difficulty in our employment office in Providence, R. I. The employers in Providence practically boycotted the office, so far as filing requisitions with it or obtaining help through it were concerned. I am giving you this now as a typical illustration, with a suggestion that we do elsewhere, wherever there is such difficulty, exactly as we did in Providence—

Mr. BLAND (interrupting). I wish you would direct your answer more to the question of what we shall put into the bill to guard against that.

Mr. DENSMORE. I do not think you need put in anything.

Mr. BLAND. And then it would be left entirely to the Secretary of Labor, and the governing bodies, as provided in this act, to determine the policy with reference to union and nonunion labor?

Mr. DENSMORE. Yes.

Mr. BLAND. What would you say as to appointing some employers of labor, both unionized and nonunionized, on an advisory commission to advise with the director?

Mr. DENSMORE. Well, I will have to express my personal opinion on that, of course.

Mr. BLAND. That is what we want.

Mr. DENSMORE. I could not express an official opinion which was contrary to the official opinion of the Secretary of Labor unless I

wanted to separate myself from the Department of Labor. I can not, of course, be in conflict with him.

Secretary Wilson has explained to this committee elsewhere his reasons for not being in favor of an advisory council, or advisory board. I am not entirely in favor of it, nor am I opposed to it. I can see advantages and disadvantages. I can see all the disadvantages that Secretary Wilson pointed out. At the same time, I can see the immense advantages, which advantages I can see because I happen to occupy the position of director.

As I said to the conference which framed this bill, if I had had last year, and particularly last fall, an advisory council made up of employers of national reputation and representatives of workers of national reputation I would have felt very much safer.

Mr. BLAND. It also would have taken some responsibility from you and relieved you of some of the criticism that would have come to you, would it not?

Mr. DENSMORE. Yes; it would relieve us of criticism, but it could not relieve of responsibility. That is Secretary Wilson's point exactly, that he can not be relieved of any responsibility placed on him, and if he can not be relieved of it he can not relieve whoever is director of it. That is his point.

Mr. BLAND. Let us suppose that this advisory council should be empowered by law, and have authority to act with the director in the appointment of men in charge of the bureaus of the different States. Don't you think if they acted together on these appointments that they could better control the character of the men?

Mr. DENSMORE. There isn't any question about that.

Mr. BLAND. Then in that way you would get away, in a measure, from the labor trade-unionist fights that might endanger the popularity of the service. You understand I am friendly to trade-unionism?

Mr. DENSMORE. Yes.

Mr. BLAND. But I am trying to get something here that will make this bureau successful. If we spend a large amount of money on this I feel that we ought to get rid of labor disputes, and that in establishing the service we ought to so frame the law that we can guard against friction as much as possibly can be done.

Mr. DENSMORE. Yes.

Mr. BLAND. What would you say as to the proposition of guarding against political activity in the different States with respect to this? Have you a suggestion to make of something to put in this bill that would at least tend to reduce the activities of the personnel of the organization to a minimum politically?

Mr. DENSMORE. Individually I would be in favor of that.

Mr. BLAND. What is your suggestion?

Mr. DENSMORE. I do not know that I have any concrete suggestion, except I think the committee would do well if they could work out something that would accomplish that. You spoke of reducing political activity. You perhaps meant preventing it, because, as a matter of fact, there has been in my experience almost none compared with the possibilities for political activity.

Mr. BLAND. I have heard of a great deal.

Mr. DENSMORE. I have not. I presume I would be the one that would hear of it. I have heard complaints made in States that are Democratic States—

Mr. BLAND. And in States that are Republican States?

Mr. DENSMORE. And in States that are Republican States that the director in a Democratic State is a Democrat and the director in a Republican State is a Republican.

Mr. BLAND. It is a natural thing to expect, unless there are some safeguards put around it, that the men who are appointed to these positions by governors of States would sometimes be selected by reason of peculiar political fitness. There is no reason why this should be any exception to that rule, unless there is some way to guard against it.

Mr. DENSMORE. No; there should not be any particular exception that I know of. That is the way with every institution when the governor appoints some one.

Mr. BLAND. Don't you think if there can be a plan suggested which will eliminate politics from it, that the benefit to be derived from the organization will be much greater?

Mr. DENSMORE. Absolutely.

Mr. BLAND. And there would be much more confidence in it?

Mr. DENSMORE. Yes; if you can devise a law to do that and be sure of it.

Mr. BLAND. What would you say about all men connected with the organization being subject to civil service?

Mr. DENSMORE. I am for that absolutely.

Mr. BLAND. There is nothing like that in the bill.

Mr. DENSMORE. You do not have to have it in the bill.

Mr. BLAND. I think you would, because if you do not provide against it by law, men in politics would take advantage of their opportunities—I am not saying one party does it more than another, and unless you guard against that by law you are going to have that condition. Now, if you put a provision in the law that these men would be under civil service, don't you think that would tend toward doing away with political activities somewhat?

Mr. DENSMORE. That would be simply reinforcing, if you can possibly reinforce the general law which we already have, that every employee of the Government has got to be under civil service unless he is specifically excepted by law.

Mr. BLAND. Take to-day in the States where men are employed by the Government—

Mr. DENSMORE (interrupting). They are specifically excepted by Executive order of the President during the war.

Mr. BLAND. We want to guard against that if we can—

Mr. DENSMORE (interrupting). All you have to do is to have the President rescind his Executive order and you could not hire anybody except a civil-service employee.

Mr. BLAND. You could hire the director in Indiana. He is appointed by the governor, and the law puts that in his hands without any civil-service restrictions, whether with or without the President's action.

Mr. DENSMORE. Please remember that I am in favor of civil service in every conceivable way. I am just pointing out to you that under the general law every employee of the Government, unless specifically excepted, is under the civil service.

Mr. BLAND. Tell me why, if you are in favor of civil service, as director of this bureau, you have not taken some steps to get some

suggestions with reference to that put into the bill—a provision to have all the employees under civil service?

Mr. DENSMORE. For the reason that I pointed out, that every employee of the Government is under civil service, unless specifically excepted. The bill does not contain an exception.

Mr. BLAND. You must be in error with reference to the men employed in the States. The matter is in the governor's hands. They are, under this law, not subject to the civil service. They are appointed by the governor, who has nothing to do with the civil service.

Mr. DENSMORE. I would be for it. I did not make the bill; I did not write it, of course. It was written by the conference. Of course, I would be perfectly agreeable to anything like that.

Mr. BLAND. With some provision in this law providing for civil-service employees, and with some provision eliminating labor controversies, making it fair both to employers and to employees, don't you think that the possibilities of good being accomplished by the organization would be much greater than if it is left in its present condition?

Mr. DENSMORE. You mean with reference to the civil service?

Mr. BLAND. With regard to any provision in here whereby the prejudices against the organization, on account of its union-labor activities—either right or wrong, whatever the charge may be—can be eliminated?

Mr. DENSMORE. Oh, indeed, yes; I agree with you absolutely.

The CHAIRMAN. Let me suggest that when the testimony was in it was expected that the committee would meet on the question of preparation of the bill.

Mr. BLAND. Yes; but we want to have some information on the subject before the committee meets. I am not asking for the purpose of criticism, but for the purpose of getting information.

The CHAIRMAN. Yes; and your interrogation is proper and very interesting.

Mr. DENSMORE. Let me say this: I realize more than anybody else that while we were building an organization and appointing employees rapidly there might be pulling and hauling, not only in a political sense, but from the point of view of the employers and the point of view of the laborers. So we established community-labor boards and State advisory boards, and I will ask the members of the committee to read our general order on that subject.

The CHAIRMAN. That may be incorporated in the record at this point.

Mr. DENSMORE. It is General Order, B-1, instructions concerning State advisory boards, community-labor boards, and organization committees.

General Order B-1, is as follows:

GENERAL ORDER B-1.

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, D. C., July, 1918.

INSTRUCTIONS CONCERNING STATE ADVISORY BOARDS, COMMUNITY LABOR BOARDS, AND ORGANIZATION COMMITTEES.

By order of the director general there will be established at once in each State, according to these instructions, the following boards and committees:

1. An advisory board, to be known as the State Advisory Board of the U. S. Employment Service, State of ———.
2. Community labor boards, each to be known as the Federal Community Labor Board, city (or town) of ———.
3. A State organization committee to establish the State advisory and community labor boards, to be known as the organization committee of the U. S. Employment Service, State of ———.

STATE ADVISORY BOARDS.

A. Composition and organization.—The State advisory board shall be composed of the State Director of the Employment Service, as chairman, and two representatives of labor, and two of management.

The State advisory board shall be formed by the organization committee, which will secure suggestions for membership from representative organizations of employers and employees in the State, and select therefrom the men to compose the board, the appointments to be subject to the approval of and be made by the secretary of labor on recommendation by the Director General of the Employment Service.

In States where there is an existing board of the same general character and representing equally labor and management, it may be designated in the discretion of the State organization committee, as the State advisory board.

The State director of the public service reserve in States where he is not also director of the Employment Service shall be ex officio a member of the State advisory board.

B. Functions.—(a) *Personnel of Employment Service.*—To assist the State director of the U. S. Employment Service in choosing the members of his own staff and the officers to be placed in charge of the main local offices. When any new main office is opened in any city or town, all applicants for the position of examiner in charge should appear personally before and submit their references to such boards, who will examine into their qualifications, and recommend one or more applicants to the State director for appointment. He may reject such nomination and ask for another, but may not recommend the appointment of anyone without such nomination. A similar course should be pursued with regard to the personnel of the State directors' office.

Applicants for positions as examiners in local branch offices should likewise be examined and recommended to the State director by the community labor boards.

Such State advisory board and the community labor boards shall have power to recommend removals in their respective fields. If an officer in charge of the main office in any city does not concur in a recommendation for removal by the community labor board of a man under him, or in any branch office, he may submit the matter for decision to the State advisory board. If the State director does not concur in the decision of the State advisory board, or in a recommendation of the State advisory board as to the removal of any officer in charge in any city or town, or of any member of his own staff, the matter may be referred by him to the Director General of the U. S. Employment Service. The State advisory boards may appoint local sub-boards containing a like representation of employers and employees to exercise its powers under its instruction in localities designated by it.

It must not be overlooked that both in appointments and removals the State directors' power is limited to making a recommendation to the Director General; the sole appointing and removing power resting always in the Secretary of Labor.

In choosing examiners in charge of main offices, and wherever practical in choosing other officers, notice should be given in advance of how applications are to be made, and when and where applicants are to be examined, and of the salary. Attention should be called to the great importance of the work to be done, and of the exceptional opportunity for patriotic service in order to attract men who might not otherwise be interested.

(b) *Recruiting labor—Original allocation of general quotas.*—The State director of the public service reserve should submit to the State advisory board for revision and approval his proposed apportionment among the communities of his State of the quota assigned to his State for recruiting purposes.

(c) *Distribution of labor.*—The employment service director should accept the decision of the State advisory board in determining the localities in which

recruiting shall be permitted for local war industries, and in States where the quota exceeds the demand, for transfer of men to other States.

Questions as to the proportionate contribution which employers in nonwar work in any industrial community should make to war work, and of the proper distribution in any community of available supplies of labor among local war industries are to be determined by the community labor board, but a minority of such a community board may appeal to the State board. Determination of all questions of priority are subject to regulations and decisions of the War Labor Policies Board of the Department of Labor.

(d) *General policy.*—On all questions of policy affecting the State generally, the State directors of both employment service and reserve should seek and accept the guidance of the State advisory board with the right to refer a decision in which he does not concur to the director general.

II. COMMUNITY LABOR BOARDS.

A. *Composition and organization.*—These boards shall in each instance be composed of one representative of the United States Employment Service, as chairman, one representative of local employers, and one of local employees.

Such boards shall be organized in industrial communities, the locations and boundaries of which shall be determined by the State organization committee.

Wherever a community board is to be formed the organization committee will—

(a) Initiate a meeting of employers representing all local industries, at which meeting is to be formed a representative employers' committee which shall select one of its members to represent the employers on the community board. Representative organizations of employers already existing may be utilized for the purpose.

(b) Secure the selection of a member of the community labor board to represent employees. This should be done preferably through the State or in special instances through the local labor organization.

(c) Select the man who shall, as a representative of the U. S. Employment Service and of the national interests, act as chairman. The chairman should be a man of influence and standing in the community, commanding the confidence of both labor and management. The ability of the community board to perform its tasks will depend largely on the care with which the selection of the chairman is made.

The local officer in charge if the Employment Service or Public Service Reserve may or may not be chosen as such representative. If not, the best available man in the community should be selected. In the latter case, the chairman will be sworn into the Federal service as a special agent of the Employment Service assigned to such position at a nominal salary.

B. *Functions.*—(a) All questions concerning recruiting and distributing labor in the community should be decided by the community labor board, subject to appeal by any member to the State Advisory Board. All decisions of both community and State boards are subject to regulations issued and approved by the Director General of the U. S. Employment Service, acting on the advice of the War Labor Policies Board of the Department of Labor.

(b) Local quotas assigned to the community for recruiting purposes, in so far as they have to be raised by getting men from non-war work, will be recruited by agents of the Employment Service, including the agents of the Public Service Reserve. As a preliminary, the community labor board should divide up the total of the community's quota, assigning to industries and employers in non-war work the proportionate share which each should stand ready to contribute. The selection of the men who will go into war work is not to be made by the employer but by the agents of the U. S. Employment Service who will recruit them, and who should seek the cooperation of the employers.

(c) In distributing available labor supplies among local war industries, the community labor board should consult the local committee's board of employers which have a representative on the community board.

(d) The community labor board has no executive duties, but so far as possible should assist in recruiting labor by securing harmonious and cooperative action on the part of employers and employees.

III. STATE ORGANIZATION EXTENSION COMMITTEES.

The director general is asking each State federation of labor to appoint one member of such committee, and is securing a representative or management

through the cooperation of representative organizations of employers, to assist the State director of the employment service in organizing the State advisory board.

The same two representatives will act with the State director of the public service reserve as an organization committee to inaugurate community labor boards.

IV. WORK ALREADY DONE.

Personnel already selected should, as soon as possible, after the necessary extensions of the service have been established, be subjected to revision by the State advisory and community labor boards.

Steps already taken in forming community labor boards should be carried through unless in the judgment of the State organization committee they need revision.

J. B. DENSMORE,

Director General U. S. Employment Service.

U. S. DEPARTMENT OF LABOR,
U. S. EMPLOYMENT SERVICE,
Washington.

General order B-1 (supplementary), issued October 3, 1918.

From: Director General.

To: Federal Directors.

Subject: Method of selection of women representatives.

Effective at once.

Each State advisory board shall suggest the names of two women to be added to it, the selection to be made in accordance with the following:

It is highly essential that each representative shall be a woman who has practical familiarity with the problems involved, who will command the respect of the community, and shall be capable of taking a broad vision of the Nation's needs and of exercising conservative judgment.

In selecting a woman to represent the workers, local labor groups should be consulted. In selecting a woman to represent management, local representatives of management should be consulted.

The names of those selected should be reported to the director general, with, in each case, a brief description of the nominee, setting forth what have been her activities, and what is her present position, and stating upon what recommendations, if any, she has been suggested. So much depends upon a proper selection of the women members, the director general will reserve the right to ask for substitute suggestions in any case where to him it seems wise.

J. B. DENSMORE,
Director General.

Mr. DENSMORE (continuing). It created a civil service of our own. It was made up of representatives of employers, selected by the chamber of commerce or other employers' organizations in the community, and representatives of the workers. There were three members on the community labor board and five members on the State advisory board. The State advisory board made selections of the personnel for the superintendence of the local offices and the community labor board selected all other employees of the local offices. We never took any liberties with these selections at all—in fact, we did not have time to take any liberties with any recommendations.

That was the purpose of establishing the State advisory boards in every State and the local community labor boards. We had about 1,800 community labor boards, in addition to State advisory boards, in all the States, composed of employers and employees, which I established myself for the very purpose of relieving the administrative office of the service of the necessity of making the selections ourselves and in order that we would be certain that the men selected would be selected in a fair manner. These boards were established last July, and they are, of course, still in existence. That is my judg-

ment on the advisory board, because I established it under my direction for the purpose of selecting the personnel of the service. The board's recommended changes, charges against employees, and every conceivable thing of that kind.

The CHAIRMAN. Have you anything further, Mr. Densmore?

Mr. DENSMORE. I think not at this time, Mr. Chairman.

Mr. HALL. As my next witness I would like to introduce Dr. Royal Meeker, the Commissioner of Labor Statistics of the Department of Labor. He has made a study of the employment problem and testified a number of years ago before a committee which was considering the establishment of a similar bureau.

The CHAIRMAN. We will be very glad to hear Mr. Meeker.

**STATEMENT OF MR. ROYAL MEEKER, COMMISSIONER OF LABOR
STATISTICS OF THE DEPARTMENT OF LABOR.**

The CHAIRMAN. Will you please state your business?

Mr. MEEKER. I am Commissioner of Labor Statistics of the Department of Labor.

The CHAIRMAN. Are you connected with this Federal Employment Bureau?

Mr. MEEKER. No, sir.

The CHAIRMAN. How long have you been connected with the labor bureau?

Mr. MEEKER. Six years.

The CHAIRMAN. Have you made a study of this Federal employment system?

Mr. MEEKER. Yes. I might say that I was responsible for such statistics of unemployment and of the operations of the employment offices throughout the country that exist. Before the Federal service was established we had, of course, in the States employment services, but they were run very much at cross-purposes, without any common information or common system of doing business, and I, in cooperation with the American Association of Public Offices, succeeded in getting the public employment offices to work on a more uniform basis.

The CHAIRMAN. The American Association of Employment Offices is a different organization from the Federal bureau?

Mr. MEEKER. Oh, yes; it was an association of offices in the State systems. At that time there was no Federal system at all. Later on a system was established in the Bureau of Immigration, which worked sometimes independently of the State system.

The CHAIRMAN. Just when was that, if you can tell us.

Mr. MEEKER. That was started in 1914.

The CHAIRMAN. When was this Federal Employment Bureau put under the Department of Labor?

Mr. MEEKER. You mean the present bureau?

The CHAIRMAN. Yes.

Mr. MEEKER. I can not tell you exactly. Mr. Densmore can give you the exact date.

Mr. DENSMORE. January of 1918.

The CHAIRMAN. Proceed, Mr. Meeker. We will be glad to hear from you.

Mr. MEEKER. I have not had the privilege of hearing the testimony that has already been given, and I think it will be more beneficial, perhaps, for me to give you my views on the seriousness of unemployment and the functions of a good national—or any national—system of employment offices in combating unemployment. There is no doubt in my mind that unemployment constitutes far and away the most dangerous, costly, and the most destructive of all industrial hazards; that it is far and away more costly than industrial accidents or industrial illness. Any industrial illness, of course, constitutes a much greater burden upon industry than is commonly supposed. I am willing to go on record as saying—I can not prove it, of course—but I am willing to hazard my reputation on it, that more than 50 per cent of the illness in any community is directly traceable to industrial causes. Yet, taking that rather radical view of the importance of industrial illness, it does not compare in its destructiveness and its cost upon industry to the hazard of unemployment.

I take it that every man and woman born in the United States is entitled to the privilege of earning a living, and that his job, or her job, should not be dependent upon any private fee-charging agency whatsoever. I do not think it should be dependent upon employers' employment offices, nor do I think it should be dependent upon every haphazard and insufficient employment device that is operated by trade unions. It is a public affair, and every man and woman in our community is entitled to the privilege of at least refusing to work, and ought to have an opportunity to work. It is purely a public function, and that fact has been recognized by European countries long before it was recognized in this country. I might say that the great European war would have been ended in a very few months, and it would have had an absolutely different ending to what it finally has had, if England had not had a well-established, smooth-working national system of employment offices. I have talked with a great many labor men in addition to those connected with the employment offices in Great Britain, and those Englishmen state it would have been absolutely impossible to put the "despicable" little British Army, of less than 150,000 men, across the channel had it not been for the employment offices.

The employment offices were built to draw men from the ports all over the United Kingdom, from ports where they were not so seriously needed, to ports where it was necessary to load munitions, guns, and all the impediments that went with the army of 150,000 men. You are all acquainted with military movements and you know something of the size of the job it would be moving even that "despicable" little army of less than 150,000 men. In that emergency the employment offices of Great Britain certainly showed that they were a prime necessity. The war would have ended within six months, and probably within four months, with Germany victorious, had not the English Army been put across the channel in record time. They did it within a period of two weeks. We could not do anything of that kind; we could not do it to-day in this country, because we could not move the men to the places where they are needed, to the strategic, industrial positions.

It seems to me that it requires no argument to establish the fact that a national employment system is an absolute necessity.

It has been stated by my most respected chief, the Secretary of Labor, that an employment office can not create employment. The employment office is just like advertising. It does not create a job, perhaps, but they have the same effect as creating jobs in reducing unemployment; just as advertising is just as productive as is the business of making automobiles or washing machines, or what not, for advertising makes it known to people, who would otherwise be ignorant of automobiles and of the particular makes of washing machines, the particular qualities of those respective things. In so far as advertising is productive of industry, in just the same way employment offices are productive; they are just as productive as is the plow or the making of steel billets. They do reduce unemployment by distributing employment more equably and by acquainting the unemployed people with jobs that are suitable to their capacities and by acquainting the employers with the existence of a labor supply of which they were formerly ignorant.

The CHAIRMAN. We get a good many protests stating that the free employment agencies in the different States could do this same work done by the bureau.

Mr. MEEKER. No; they could not do it.

The CHAIRMAN. Will you discriminate between the two, please?

Mr. MEEKER. One of the first things that was taken up by the American Association of Employment Offices was the question, "How are we going to deal with the private employment agencies that send men outside of the State limits?" A few of the States have laws which give some control over the private employment agencies. They are not sufficiently controlled in any State, and I think they have absolutely no control over employment offices doing an interstate business. The only way that could be effected is by national assistance.

Then, too, most of our States have not yet realized that there is such a thing as unemployment. I have preached it until my lungs are sore with it, the fact that there is unemployment in the community; that it is there all the time; that it exists in this country to a degree that is wholly inexcusable.

Mr. GOULD. What is the percentage, please, Doctor? Have you statistics to show that?

Mr. MEEKER. No. Let me digress here to say that I have always opposed unemployment insurance until this year. I have always opposed it because we had not sufficient machinery for enforcing unemployment insurance. Then we have no national system of labor exchanges, as they call them in Great Britain. We here prefer to call them employment offices. But the seriousness of unemployment at the present time is so tremendous that I am willing to support any measure granting unemployment insurance which has the purpose of getting some registration of the amount of unemployment.

The CHAIRMAN. We get letters from a good many States stating there is no unemployment in those States.

Mr. MEEKER. Impossible.

Mr. GOULD. Do you figure that the world owes a man a living? Is that the cause of your feeling that way?

Mr. MEEKER. It owes him a living if he makes it.

Mr. CARSE. It owes him the right to make a living.

Mr. MEEKER. Exactly—equality of opportunity. We advocate a national system of employment offices on the ground that it will give a man a squarer deal, a nearer approach to equal opportunity.

Mr. GOULD. Suppose I am a loafer. Are you willing to pay your share of the expense of giving me opportunity for employment?

Mr. MEEKER. Let me answer your first question first.

Mr. GOULD. Very well, sir.

Mr. MEEKER. New York and Massachusetts are the only States that have ever given us any unemployment statistics. Their statistics, together with a national survey of unemployment that I made very hastily. I made an inadequate, incomplete, and incorrect survey, but it was the best thing we had and the only thing we had in 1915. New York and Massachusetts figures differed cataclysmically, which shows to my mind that there must be error. Their statistics were made up purely and simply from trade-union reports of unemployment existing in trade-unions, which is the probable cause of error. I think undoubtedly the unemployment among the trade-unions, which is the probable cause of error. I think undoubtedly the unemployment among the trade-unions would probably not be more than half as great as unemployment among labor in general. The figures of both New York and Massachusetts show a vastly greater degree of unemployment than is shown by the figures of Great Britain.

I might say Great Britain really never knew how much unemployment there was in the Empire until they enacted that insurance act. They thought they had a very good system of reporting accidents in New York, and they thought they had about all of them reported. They reported 90,000 accidents, and the year they enacted the compensation act—the first year—the number went up to 300,000.

I just cite these things to indicate that we will not know the seriousness of the appalling character of the unemployment in this country until we do get a good system of employment offices that will give us more reliable reports upon unemployment.

Now, what was your question?

Mr. GOULD. I was just about to ask you whether, if I was a loafer, you would be willing to share the expense toward my unemployment allowance?

Mr. MEEKER. That is one of the principal functions, as I look at it, of a good, well working employment system, to weed out the loafers.

Mr. GOULD. What would we do with them?

Mr. MEEKER. We would put them upon an entirely different basis; we would take care of them through farms for hoboes and for chronic loafers.

Mr. GOULD. There is an old saying in my country that you can lead a horse to the river, but you can not make him drink. I do not want to be facetious, but I just take that as an example.

Mr. MEEKER. That is one of the great difficulties that the employment office has to face, the constant contention with the loafing class. I have been in this work a long time and I am quite an old war horse. At first the employment offices quite generally throughout the country—I am speaking now of State employment offices—were looked upon askance by all employers. No employer would go to

an employment office unless he was driven into the last ditch, because they were regarded merely as charitable institutions. They thought that it was a hang out for the down and outers. Once in a while a distracted house wife would go to the employment agency to get a cook or somebody to wash for her, or to clean off the front door steps, or something of that kind—casual labor of the most casual sort.

It has been a constant fight in the States that have really been fighting to establish a public employment office on a proper basis. We have had loafers and hoboos and those who wanted a job merely for a day to tide them over until they could go on again to the next house and get another job there. It is highly important that the bill establishing a national system of employment offices should be so drawn as to not handicap the administration in any way and in order that it may have a free hand to combat just that particular evil.

Every good measure, of course, is subject to abuse. That is why you must be so very careful to support the administration of the service in its combat against the chronic loafer. I am not at all in favor of paying the chronic loafer for loafing. I would put him on a farm if he does not work, and I would keep him out of the employment offices. That is why I think it is necessary to register every man that applies at an office.

Mr. GOULD. That would be unconstitutional, would it not?

Mr. MEEKER. I do not think so; no.

Mr. GOULD. I am not a lawyer.

Mr. MEEKER. An act of that kind was passed by the New York Legislature to establish a farm colony for unfortunate men. The man that backed it up died and nothing was done with it.

Mr. GOULD. I am from New York State. What colony was that?

Mr. MEEKER. That colony was established, I think, in Westchester. I can not just recall the man who backed it.

Mr. GOULD. I thought perhaps you referred to the George Junior Republic.

Mr. MEEKER. No; that is something entirely different. That deals with recalcitrant boys.

I had only started to answer your question, Mr. Chairman; that is, as to whether a Federal employment system was necessary.

I think I made it clear that you can not control labor going beyond the State lines except by a Federal system. There is a good deal of that transfer of labor beyond State lines. I do not know what Gen. Bryant told you this morning, but he has a great deal of that to deal with in New Jersey. New Jersey is just between New York and Philadelphia, and the same conditions are true with other States.

In big industrial centers like Pittsburgh there is no end of traveling back and forth by the workers seeking work, and by employers seeking workers. The only way you can control that is through a Federal system. We did not embody in this bill the feature of private employment agencies doing an interstate business under the control of the Federal employment agency, because we thought we had enough troubles without courting more.

Mr. CASEY. Why would you do that, Doctor?

Mr. MEEKER. For this very purpose, to prevent abuses by the fee-charging agencies in shipping men to alleged jobs that did not exist. There is no registration under the State system.

Mr. CASEY. That was done for the purpose of getting the fee, and not for the purpose of placing men in jobs?

Mr. MEEKER. Exactly. I want to hit that just as hard as I can.

Mr. CASEY. To what extent do you find abuses existing in the private employment agencies?

Mr. MEEKER. I can not give a statistical answer to that, but it exists to an enormous extent. I can not give any definite figures, but I might pick out of the records case after case where a certain individual or groups of individuals have been sent away to jobs that were not at all as represented, and they were left stranded.

I had just started to refer to the fact that only a few of our States have employment system at all. None of the States have sufficient employment systems. We finally came to the conclusion that the education of the masses of the American people could not wait upon the slow moving, slowly awakening, backward communities of the country, so we enacted the Federal vocational education bill for the purpose of encouraging the States to give attention to the establishment of sufficient educational facilities, and we are going ahead with that. We did that with good roads, and we are doing it with other things. At first I was rather opposed to this dual system of State agencies and Federal agencies cooperating in a single system. It presents enormous difficulties, but everything that is worth while doing is difficult, and as I look at it the local community is most largely responsible for unemployment. The majority of placements are made in the local community. I will venture to say 95 per cent of the placements enumerated are within a pretty narrow local community. A small percentage is placed within wider limits, but it is only a very small percentage of the total placements that go beyond the State lines usually.

It is highly important, therefore, to keep the local community interested in the problem which most vitally concerns it—that of unemployment in its own community. It is vitally important to keep its interest centered on that problem, and to get its cooperation in dealing with the problem, and therefore I have finally come around to advocating, without any qualifications, a cooperative system, a Federal, State, and municipal system of employment offices.

I think that is the only system that will work satisfactorily throughout the whole country, so that we will have the local interest sufficiently represented and sufficiently active in dealing with the problem of the State interest, because the State lines can not be obliterated. They are political lines, it is true, but you can not ignore them.

The CHAIRMAN. Can you tell us how many different countries have national employment bureaus?

Mr. DENSMORE. A document containing that information is in the record. Mr. Chairman.

Mr. MEEKER. It can be made more detailed. We had to get it together very hurriedly. As I see it, the only foreign countries that are sufficiently like our own country so that we can derive much benefit from comparison, are England and the Scandinavian countries. They have had an employment service in England for a long time. I can not give the exact date.

Mr. BRYANT. Since 1909.

Mr. MEEKER. Since 1909, and the Scandinavian countries more recently.

The CHAIRMAN. That is a national service?

Mr. MEEKER. Yes, sir. I have the last report of the British employment office, and they filled in 1918 more than a million and a half places. They were registered.

Mr. GOULD. They have 1,500 offices.

Mr. MEEKER. About that.

Mr. GOULD. How many did we have in this country during the last year?

Mr. MEEKER. Mr. Densmore could tell you that.

Mr. GOULD. The statement was made here about half an hour ago, off the record, as I recall the figures, that they handled 4,000,000 with a good many less offices than England had.

Mr. MEEKER. Of course, to judge the efficiency of an employment office by the number of placements is a bit dangerous. I think some offices are too efficient in placing people; they place too many people.

Mr. GOULD. They increase the turnover sometimes?

Mr. MEEKER. Yes; they increase the turnover. That is the danger. The public employment offices are not as bad as the private ones. I can state instances where they would place 75 men in an establishment, say, on yesterday and to-day they would draw them away from there and put them in another establishment.

Mr. GOULD. Have you ever known a labor union to refuse to allow a member to demit or refuse to give him his card to go from one locality to another because in the locality to which he was planning to go there was unemployment?

Mr. MEEKER. I did not quite catch your question, Mr. Gould.

Mr. GOULD. Have you ever known a labor union, say a machinists' union, a foundrymen's union, a blacksmith's union, or other union, to refuse a member of an organization his demit or transfer card because of the fact that at the place to which he was going there was unemployment?

Mr. MEEKER. No; I never personally came across such a case.

The CHAIRMAN. It is getting close to 12 o'clock and the gentlemen present would like to hear the President's address. I want to ask you one or two questions. What have you to say about the establishment of a bureau to confer with the Secretary of Labor—an advisory board?

Mr. MEEKER. An advisory board—I am heartily in favor of that. In fact, I was responsible for incorporating it in the first draft of the bill.

The CHAIRMAN. What have you to say about the Federal Employment Bureau or the Secretary of Labor being neutral in case of strikes?

Mr. MEEKER. I think it should be, of course. I must say that my definition of neutrality does not correspond with the Secretary's definition.

It has sometimes been said that public employment offices are good things during times of crisis and depression but are not needed in normal times or in times of great industrial activity. This, however, is short-sighted and shows ignorance of employment conditions and the functions of employment offices. There is at all times a certain amount of unemployment which may be termed "the irreducible

minimum." Even in the busiest times unemployment exists to a degree wholly unsuspected by one unfamiliar with industrial conditions. In fact, in busy times unemployment is often greater than in times of less industrial activity for the reason that the so-called "turnover" is greater when industries are active. Men quit their jobs more readily and move from place to place. New industries are starting up and old industries are expanding. The need for labor leads to strong competition on the part of employers, with the result that men are drawn from one plant to another or from city to city by the lure of higher wages or better conditions. Unfortunately, we have few accurate statistics of unemployment in the United States. Such statistics as do exist, however, show that the irreducible minimum of unemployment in our country is much greater than the irreducible minimum in European countries. For years the States of Massachusetts and New York published figures showing percentage of unemployment among trade-union members in those States.

In Massachusetts the unemployment percentage among unionists rises to 17.9 per cent in 1914, while the minimum at any time since 1908 was 3 per cent in 1918. The unemployment percentage is even greater in New York State, the maximum being 40.1 per cent in 1913 and the minimum 5.9 per cent in 1912. The chart inserted at this point shows graphically the curve of unemployment in these States as contrasted with Great Britain. Unemployment among trade-union members in Great Britain, as shown by official figures, rarely exceeds 8 per cent and drops as low as three-tenths of 1 per cent of the total membership. These figures, though not strictly comparable, undoubtedly indicate a higher percentage of unemployment among trade-unionists in this country than in Great Britain. The figures indicate a degree of unemployment in our country that is wholly inexcusable, especially when we remember that unemployment among trade-unionists is much less in extent than among non-unionists.

The greater prevalence of unemployment in times past in the United States has been due in large part to the short-sighted policies practiced by employers quite generally in our country. The custom has been to take men on at the gate. If 50 men were needed the plant manager sent out notices broadcast and perhaps 500 men were lined up at the gates at the hour indicated. Fifty men would be selected and the remaining 450 turned away. Plant managers and foremen felt that they could not conduct industry without this huge reserve of labor upon which they could draw at will. Now a thoroughly organized an efficient national system of employment offices will in time so distribute the labor force of the country as to make it unnecessary to keep 10 or 20 men idle for every 100 men employed in industry. The Scripture says "the poor we have with us always." The poor is another name for the unemployed or the partially unemployed. The Scripture does not imply that it is our duty to keep men unemployed. Quite the contrary.

Event in normal times there is a great deal of unemployment occasioned by the varying demands for labor in agriculture, mining, canning, and other seasonal industries. Some efficient plan must be worked out for taking care of these demands which change from month to month.

Unemployment has existed in this country in times past to a wholly inexcusable degree. We must see to it that the old conditions can not recur. One thing that must be done to prevent the recurrence of the undesirable conditions resulting from hiring men at the gate is to establish a national system of employment offices. Eventually practically all industrial placements should be made through the public employment offices. It is utterly pernicious to leave the placement of workers in proper employment in the hands of employers and private, profit-seeking employment agencies. To do so, is to make inevitable a high percentage of unemployment with resulting loss in efficiency of the labor force and consequent loss in the productivity of industry.

There can be no doubt that before the great European war the numbers of workers, both actual and potential, were vastly in excess of the number required to turn out the products of our mines, forests, factories, and shops at that time. It should be the first and foremost policy of our National Government to see to it that every potential worker is an actual worker every working day of the year outside needed vacation time. We should absolutely eliminate the queue waiting at the gate for possible jobs. We must eliminate the want ads carried in the newspapers which result in bringing scores of men to apply for each job so glowingly described in the newspaper ad. We must supersede the private, profit-seeking employment offices which so actively promote and maintain unemployment. We can not do these desirable things without a national system of employment offices. Even with a thoroughly organized and efficient national system of employment offices there will still remain an irreducible minimum of unemployment, due to several causes, the most important of which is probably the inborn desire of men to better their jobs. Men will quit and seek new employment, no matter how many and how efficient employment offices may be established.

Employment offices are, perhaps, needed even more in times of labor scarcity than in times of labor surplus, in order to distribute an insufficient labor force most economically and effectively. At present there is probably a labor surplus, considering the country as a whole, although the apparent surplus in many localities would disappear or at least be greatly diminished if our employment offices had sufficient appropriations to admit of their functioning properly.

It should require no argument to convince fair-minded men, whether employers or employees, of the desirability, even the necessity, of having a well-organized system of employment offices, in order to take care of this labor surplus. There is an actual labor shortage to-day in some communities. Thousands of employers would be glad to take on additional employees and extend their business if they knew where they could obtain employees of the right kind.

It seems reasonably certain that within a few months we shall be facing not a labor surplus, but a more or less widespread labor shortage. When this time comes, the national employment offices will be absolutely indispensable for the purpose of distributing the insufficient labor force of the country most effectively. The problem will be to supply the most insistent and vital needs of industry. This can only be done if we have the fullest possible information as to jobs available.

Employment exchanges in the European countries are not products of war-time experience, except in a few instances. And in those countries where national coordination took place by State regulation, such action by the State amounted to little more than extending and perfecting an already existing system of voluntary co-operation. Among countries having nationally regulated systems in operation before the war were Great Britain and the three Scandinavian countries. The latest statistics of operations of these systems are set forth in appended tables. Countries in which Federal or national systems were inaugurated during the war were, for example, the Netherlands, France, and Germany. In all these countries a more or less loose system of cooperation was given a greater degree of effectiveness by requiring compulsory reporting of operations to a central State authority, maintenance of district and central clearing houses and submission to a close inspection. By way of compensation for State oversight, a subsidy is granted by the State. Incidentally it is to be observed, the system of national public employment exchanges so created is very frequently linked up with a scheme of unemployment insurance. The two systems naturally work together and secure their greatest effectiveness when dovetailed in this manner.

That the labor exchanges in Europe have met primarily a peace-time need is amply verified by their operating reports. Established in Great Britain in 1909 official reports show that they have been filling from over two-thirds to three-fourths of all reported vacancies. They form, so to speak, a network of leased labor wires over the country—there being one exchange for approximately each 100,000 of population.

In the Scandinavian countries their success as a national system has been demonstrated since 1906 in Norway, 1907 in Sweden, and 1913 in Denmark. Here the systems are maintained by subsidy and are linked up with the unemployment insurance organizations. As high as nine-tenths of all vacancies are being filled by the exchanges in Denmark, in Norway generally over two-thirds, and about the same proportion in Sweden. There are relatively even more exchanges in these countries in proportion to population than in England. Denmark has, roughly speaking, one exchange for each 48,000 of population, Norway one for each 60,000, and Sweden one for every 47,000 of population.

The French report officially that their recently established (Jan. 1, 1918) district clearance exchanges have by coordination of effort, guidance, and stimulation, rendered more effective the work of the local exchanges which had previously been given a new lease of life through reorganizations and by granting of more liberal subsidies.

In Great Britain the labor exchanges as they are called, performed an indispensable function in distributing the labor force of the country so as to take care of seasonal variations in industry and in redistributing the labor force so as to give workers a chance to better themselves economically and to enable employers to secure needed workers when such workers were not to be had in the immediate locality. When the great war came on the British labor offices went through an acid test and made good. The great national system which has been built up in Great Britain enabled

that country to move its workers to the strategic points where workers were needed in the shortest space of time. It is no exaggeration to say that the war was won by the British labor offices, because without these offices the "despicable little British Army" of 150,000 men could not possibly have been moved across the Channel in a fortnight, as was actually done. Had the British Army failed to arrive in Flanders when it did, the war would have been over in six months, with a result wholly different from its final outcome.

The British labor offices were profitable investments before the onset of the Great War, but even if they had constituted a net liability up to that time, their achievements during the war would have more than justified their establishment.

We need for the United States a complete national system of employment offices for the purpose of handling labor demands in normal times and in all ordinary fluctuations in industrial activity. Unless we have such a complete national system organized and working smoothly, we shall be utterly unable to cope with a great crisis whether of peace or war. It is too late to build the necessary organization after the crisis is upon us. One of the most expensive blunders connected with the participation of the United States in the war was the failure to establish years ago a complete national system of employment offices. Had such a system been in operation at the outbreak of the war it would have contributed quite as magnificently to the winning of the conflict as did the labor offices of Great Britain. Incidentally, it would have saved untold millions to the Government, to industry, and to the workers of America.

I file with the committee four statements: (1) Showing the operations of the British Labor Exchange from 1911 to 1915; (2) operation of public employment agencies in Denmark; (3) operations of the public employment exchange of Norway; and (4) operation of public employment exchanges in Sweden.

The CHAIRMAN. Without objection, they may be received.

(The tables above referred to are here printed in the record in full as follows:)

TABLE 1.—*Operations of the British Labor Exchanges, 1911 to 1915.*

[Source: Seventeenth Abstract of Labor Statistics of the United Kingdom and Ministry of Labor, the Labor Gazette for March, 1919.]

Year.	Exchanges open at end of year.	Applications registered.	Individual applications.	Vacancies reported.	Individuals given work.	Vacancies filled.	Per cent of applicants given work.	Per cent of vacancies filled.
1911.....	261	2,040,447	1,513,349	788,609	490,210	621,410	31.0	78.8
1912.....	413	2,465,304	1,643,587	1,062,574	573,709	828,230	34.9	77.7
1913.....	422	2,965,893	1,871,671	1,222,828	652,306	921,853	34.9	75.4
1914.....	401	3,442,452	2,154,023	1,479,024	814,071	1,116,909	37.6	75.5
1915.....	390	3,196,137	2,326,803	1,797,646	1,068,336	1,308,137	45.5	72.3
1916.....	378	3,658,689	2,843,784	2,049,018	1,351,406	1,557,235	37.0	66.0
1917.....	388	3,575,390	2,837,650	1,999,442	1,375,198	1,555,223	38.5	77.8
1918.....	388	3,739,064	3,045,203	2,067,217	1,324,743	1,514,712	35.4	73.3

TABLE 2.—*Operations of the Public Employment Exchange in Denmark.*

[Statistisk Aarbog 1918 udgivet af det Statistiske Departement, Copenhagen, 1918.]

Year.	Number of exchanges.	Number of applications.	Number of vacancies reported.	Number of vacancies filled.	Per cent of vacancies filled.
1914-15.....	3	(¹)	(¹)	(¹)	.....
1915-16.....	31	104,584	41,930	35,494	84.7
1916-17.....	56	160,709	72,925	64,316	88.2
1917-18.....	62	246,950	72,430	65,831	90.9

¹ Not reported.TABLE 3.—*Operations of the public employment exchange in Norway, 1909-1917.*

[Statistisk, Aarbog, 1914-1917.]

Year.	Number of exchanges.	Applications.	Vacancies reported.	Vacancies filled.	Per cent of vacancies filled.
1909.....	17	51,139	38,733	26,379	68.1
1910.....	17	51,690	44,126	32,100	72.7
1911.....	16	52,065	49,287	35,387	71.7
1912.....	16	52,218	52,192	36,989	70.9
1913.....	17	56,128	54,705	39,930	71.2
1914.....	24	75,192	65,670	45,935	69.9
1915.....	25	84,025	78,311	56,712	72.4
1916.....	27	93,681	106,265	70,488	66.3
1917.....	43	97,017	108,772	71,617	65.8
1918.....	45	119,021	113,236	73,579	64.9

TABLE IV.—*Operations of the public employment exchanges in Sweden, 1909-1917.*

[Statistisk Arbok for Sverige, Årgangen 1914-1918. Utgiven av Kungl. Statistiska Centralbureau, Stockholm, 1914-1918.]

Year.	Number of offices.	Number of applications.	Number of vacancies.	Number of vacancies filled.	Per cent of vacancies filled.
1909.....	56	126,261	84,548	52,044	61.6
1910.....	92	143,297	103,579	67,010	64.7
1911.....	112	164,802	125,024	84,802	67.8
1912.....	126	190,163	152,545	105,032	68.9
1913.....	130	201,023	172,727	117,931	68.3
1914.....	148	251,521	191,813	138,162	72.0
1915.....	152	309,296	219,394	164,171	74.8
1916.....	152	272,296	265,736	181,902	68.5
1917.....	123	290,934	269,433	184,810	68.5
1918.....	127	367,522	255,003	189,563	74.

(Thereupon, at 12 o'clock, noon, the hearing was adjourned to Monday, July 14, 1919, at 10 o'clock a. m.)

NATIONAL EMPLOYMENT SYSTEM.

MONDAY, JULY 14, 1919.

CONGRES OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m., in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senator Kenyon; Representatives Smith (chairman), Nolan, Carss, Gould, Bland, MacCrate, Casey, Murphy, Hersey.

Also present: Don. D. Lescohier, associate professor of economics, University of Wisconsin, and former superintendent of State employment office, Minneapolis, Minn.; Henry D. Sayer, industrial commissioner for the States of New York; Morris L. Ernst, New York City; Albert R. White, member of advisory board for the State of Massachusetts, United States Employment Service; George H. Dale, assistant general manager of the Hood Rubber Co.

The committee continued consideration of the Senate bill (S. 1442) to provide for the establishment of a national employment system and to provide for the cooperation of the States in the promotion of such system and to regulate the expenditure of money that shall be appropriated for such service; and the Senate bill (S. 688) to provide for a national employment system; and House bill (H. R. 4305), to provide for the establishment of a national employment system and for cooperation of the States in the promotion of such system, to regulate the expenditure of moneys that shall be appropriated for such purposes.

STATEMENT OF DON D. LESCOHIER, ASSOCIATED MEMBER OF ECONOMICS OF THE UNIVERSITY OF WISCONSIN, AND FORMER SUPERINTENDENT OF STATE EMPLOYMENT, MINNEAPOLIS, MINN.

The CHAIRMAN. Give your name to the reporter, please.

Mr. LESCOHIER. Don D. Lescohier.

The CHAIRMAN. And your profession, Mr. Lescohier?

Mr. LESCOHIER. I am associate member of economics in the University of Wisconsin, and I was superintendent of the State employment office at Minneapolis.

The CHAIRMAN. And are you representing any association or organization here?

Mr. LESCOHIER. No; I come here personally, on invitation, because of my personal interest in the matter.

The CHAIRMAN. We would be very glad to hear from you, doctor.

Mr. LESCOHIER. Well, as I was about to say—

Mr. HERSEY. You are not connected in any way with the Federal Employment Bureau, are you?

Mr. LESCOHIER. No, sir; not at all.

The CHAIRMAN. We shall be glad to hear from you. Make it as brief as you can.

Mr. LESCOHIER. I have been following these employment offices of the Government for the past 10 years, and I believe it is very important that the United States should have a Federal employment organization. I do not look upon the project as simply a continuation of the United States Employment Service created during the war. I look upon that as a war proposition, as a military proposition, rather than an industrial proposition. It was created and the office was operated for military motives rather than with industrial motives in mind, and whatever strength that organization may have had, or the weak ones of that organization, or the success or the failure of that organization, I do not consider essentially material to the situation at this time.

The fact is that on every day of the year there are working people in this country being let out of employment. We never had during the war less than 1,000,000 men unemployed in this country. There are at times, ordinary times, two or three million out of work for the time being, and in bad times we have six to eight million men out of employment. At the same time we have on all of these occasions positions that are unfilled. The supply of labor consists of individual men with individual capacities. For instance, a bricklayer is not benefited by the fact that he knows of a job on a farm; what he wants is a job as a bricklayer; and the employer is not benefited if he knows that there are 1,000,000 bricklayers out of work, if he wants a man on a farm or if he wants a carpenter. The proposition in the labor market then comes to bringing a man who is qualified to fill a job to the job that he is qualified to fill.

Now, Mr. Chairman and gentlemen, in this country we have ordinarily carried a big labor reserve. Immigration had contributed to the formation of that reserve and to the maintaining of that reserve. I am giving my whole time out at the University of Wisconsin studying the immigration conditions and the problems, and at the present time it is my opinion that the big reserve which has been due to immigration is not going to continue. The only visible supply of this great labor reserve, for continuation of this great labor reserve, comes from the Russias. Conditions have changed in the Mediterranean and in the Balkan States, and there is going to inevitably be a big decrease in the immigration to this country.

Now, the employers in the country have been dependent on the labor reserve, and on having idle men at the gates every morning. I do not criticize them for not being interested in the employment-office business so long as they have idle men at the gates every morning.

From a national point of view it is bad to have these men standing in line at factory gates. It means hardship to the men and to their families, and it results in bitterness and resentment toward political and social conditions, and besides that it means the deterioration of their efficiency. Now, I do not believe that the employers.

even if they wanted to, can continue indefinitely that policy of dependence upon the labor reserve. I believe that the time has now come when, for the interests of the employer, as well as for the interests of the unemployed workmen, the Federal Employment Service is necessary. Before the war we had a great many of the employment agencies. We had some thousands of these fee-charging employment agencies throughout the country. Then we had the employers' association bureau, and we had a business agent for the trade-unions, and we had the State and the municipal agencies.

Mr. HERSEY. And have we not those organizations now?

Mr. LESCOHLIER. Yes; we have them, and according to my way of thinking, the more of them we have the worse we are, in a way. They make for chaos. A man goes into one office looking for a job, and an employer goes into another office looking for the man. The private fee-charging agencies have continued and have been conducting their business in a very reprehensible way, a large part of them. They have looked upon labor as simply a commodity. They have misrepresented and misdirected. They have exploited both the workmen and the employer. When I was superintendent of the Minnesota office at Minneapolis, an agent of a large private agency came to me, and he said to me, "Now, I have an order 60 miles from Minneapolis. It is a railroad job. It is only 60 miles from Minneapolis, and the men can go out there and get there very quickly. It is a good order. We can send men out every day, because they will quit, and we can ship them back here."

Now, they speak of their business as moving men around and not as meeting the employer's need or meeting the needs of the laboring men, but simply turning the labor over and getting the fees. I regard the working of these fee-charging agencies as fully as great an evil in the social life as the saloon or the gambling joint, or any such evil as that. I have had 10 years of very intimate contact with them, and I believe I know whereof I speak.

Now, Mr. Chairman and gentlemen, the employment association agencies can not operate on any more than a very limited scale, and they cover a very limited field. The trade-union business agent can serve a limited number of men only, and that means a great field untouched. In Minnesota the organized laborers, including the railroads, are only about 50,000 out of 350,000 workmen in the State. The State employment offices, except in a limited number of cases, are not at all efficient. The idea that anybody could run an employment office has prevailed, and with the continued change of personnel in the office—they thought that that was all right—and the inability of these local legislative bodies, with the continual changes of personnel, to confront the bigger problems of the employment market, have all contributed to prevent the offices from accomplishing very much.

Furthermore, Mr. Chairman and gentlemen of the committee, American industry is organized on an interstate basis, and it carries on its work on an interstate basis, and the State offices can not meet the interstate needs of the country.

The tendency is, under the State system of administration, to have two or three small local offices in the principal industrial cities, and they consequently neglect the great bulk of the industrial life of the

State. They have general policies, and they are generally manned by those who have not the executive ability to work out the bigger problems of employment, and they tend to drift into the handling of more or less casual lines, and they have not given the service that is so highly necessary.

When I was superintendent of the Minnesota office I had a continual fight with the State officials, who were my superiors, over the question of sending labor into Wisconsin, into North Dakota, into South Dakota, and into Iowa. They said "You are spending the State's money," and my answer was that it did not make any difference whether or not I was spending the State's money, but the fact was that the United States needs North Dakota wheat just as much as it needs the Minnesota wheat, and if a man wants to go there I shall do what I can to send him there. The Wisconsin lumbermen needed——

Mr. HERSEY (interrupting). And were there men needed in your own State at the time that you were sending these men into North Dakota?

Mr. LESCOHIER. Yes; and here is the story. There are certain men who want to go to North Dakota. There are certain men who want to go to Wisconsin, and they would not go out into the State of Minnesota. They think that they can get more wages in the Dakota field than they can get in Minnesota, and they prefer to work for a particular line of railroad in Wisconsin, and with those men it was a case of filling the needs that they felt or not sending them to work at all.

Mr. HERSEY. Do you mean to say that the men would not work at all if they were not sent to that particular place?

Mr. LESCOHIER. The men would not work at all if not sent to that particular place, and they would probably drift up into the country looking for work and hang around until somebody sent them up there, some fee-charging agency.

Mr. MACCRATE. Was it because the men had been in North Dakota before?

Mr. LESCOHIER. Well, those men are circulating through a number of States. They go through Chicago and up to Minneapolis, to Duluth, and to Fargo, and they circle through that country. For a part of the year they will work in the woods, and in another part of the year they will work in the fields, and in another part they will work on construction work, and so on, and they go into the labor cities in order to get specific jobs. They feel that they would rather do that than to go about aimlessly into the country looking for work, and they will not go about aimlessly any more than an employer would want to ship a product into New York City without having a definite man to sell to before sending that product there.

Now, Mr. Chairman and gentlemen of the committee, that interstate business requires Federal regulation, and it requires the development of a uniform policy, and requires standards of efficiency, requires some uniform organization to attend to the work throughout the country, and the getting of a relatively small number of men who are big enough to handle the national employment problems requires the securing of skilled men, and that is a great necessity of having some central organization to provide men who will study and interpret conditions in the labor market.

Then, too; Mr. Chairman and gentlemen, the employer wants authoritative information, and the employee wants authoritative information, which information must be up to date. The State offices can not get that information while a Federal organization can. Now, for instance, a man would come into our office at Minneapolis, and he would say, "What have you to offer in farm work?"

We would answer, "They want men at Red River Valley at \$3.50 a day in the harvest field."

There may be several men. One of them would say, "No, we are going to North Dakota, where they are paying \$4.50 a day."

Well, we would say, "You may go to North Dakota, but you will only get \$3.50 a day when you get there."

"How do you know?" they would ask.

"We have information," we would answer, "of the conditions in North Dakota."

We would have information of conditions there, and we would know what the wages in Kansas were, and we could tell them the wages in Kansas and the conditions in the employment market anywhere in the country, because the Federal service would supply that information.

Mr. BLAND. And would that be true if you had a clearing house for those conditions, regardless of this plan set forth in the bill?

Mr. LESCOHIER. But I do not believe that you could get the degree of cooperation from the States that is really necessary unless the Federal Government went in on a larger scale.

Mr. BLAND. I mean in regard to that particular point—

Mr. LESCOHIER. Theoretically, the simple matter of a clearing house would meet that need, but as a matter of practical administration the various State governments would not cooperate unless the Federal Government took hold of the thing and put more money in it. It means—

Mr. HERSEY (interrupting). Do you know that there is a place in the Labor Department where there is a clearing house for labor at the present time, of which Mr. Woods is in charge?

Mr. LESCOHIER. Yes; but I have not come in contact with that work recently—within the last year, that is.

I have been out of the employment work for the last year. I know that a great deal of benefit was obtained from the Federal clearing house during the war; but there is one thing for you to remember, gentlemen, that the United States Employment Service never really got going. In England they had to consider—

Mr. NOLAN (interrupting). Allow me to interrupt you, and ask what good would a clearing house be unless there was some city or local agent to transmit the information.

Mr. LESCOHIER. Well, you have to have it; you must have some State or Federal office in the individual cities.

Mr. HERSEY. But would not the Federal office in Washington be able to inform the State agencies in the different States—

Mr. LESCOHIER. Well, that would be satisfactory, possibly. If all of the different States had a sufficient complement of offices, and those offices were in charge of sufficient competent men. As a matter of fact, they have not and probably will not have for a long time to come; they will not have in any State or in all of the States purely State demand and competent offices.

Mr. HERSEY. But where there is a demand for it the competent offices will spring up, will they not?

Mr. LESCOHIER. I do not think it is sound policy to throw the whole burden on the State.

Our experience was this: Out of our volume of placements in the State office, where we have the ability but no definite motive in seeking to handle interstate business, we put 30 per cent of the placements outside of the State of Minnesota, and in an office like Chicago I would think it would be much larger. With a well-managed office they would run even larger, although the State—

Mr. HERSEY (interrupting). You were acting for the State there, were you?

Mr. LESCOHIER. I was acting for the State.

Mr. HERSEY. And you were sending the men out of the State?

Mr. LESCOHIER. Yes; they would come in there from Iowa, and they would come in there from Wisconsin, and they would come in there from Illinois, and they would come into Minneapolis and they were sent out from Minneapolis.

Mr. HERSEY. And you were doing the same kind of work as they were doing under the Federal Employment Service?

Mr. LESCOHIER. But the Federal Government should assume the responsibility for that, and in the State of Minnesota the legislature will never feel that it is the just and proper thing for them to appropriate a considerable sum of money to handle interstate business.

Mr. NOLAN. How long has it been since you were in charge of that office, Mr. Lescohier?

Mr. LESCOHIER. I resigned on the 1st day of August, last year.

Mr. NOLAN. And during the time that you were there, what opportunity did you have to get in touch with the other State or municipal agencies?

Mr. LESCOHIER. The principal contact occurred after the Federal service was installed and through the Federal service. We had offices—

Mr. NOLAN. I am talking prior to the formation of the Federal—

Mr. LESCOHIER. United States Employment Service?

Mr. NOLAN. Yes.

Mr. LESCOHIER. We had contact at Kansas City with the Federal office there. We had contact with the offices in Milwaukee, in Chicago, and with a Wisconsin office at Superior, and that was all of the contact we had where we did any business and we did not do very much business with those.

Mr. BLAND. But this 30 per cent that you were sending out of the State, was that while you were cooperating with the Federal service?

Mr. LESCOHIER. The cooperation with the Federal offices did not affect our business very materially. When the Federal offices came in at Minneapolis we made an agreement with them by which we divided the work. The farm-labor work, the lumber work, the contract work, and all that sort of thing, was handled by us; while that of the skilled mechanics, the women's work, and the clerical work was handled by the Federal office. If we got an order in there for that class of work we would send them over to the Federal office.

Mr. BLAND. Were the placements sent to the Federal office in Minneapolis and credited to the Federal office?

Mr. LESCOHIER. The Federal office and the State office worked under that agreement—

Mr. BLAND. But they got credit for the placements of the State officers, did they?

Mr. LESCOHIER. Yes, they got credit for the cooperative offices for our State.

The CHAIRMAN. We are very much obliged to you, Doctor; if there is nothing further.

Mr. LESCOHIER. That all depends on the members of the committee. If you want to question me any further, I shall be very pleased to answer.

Mr. BLAND. I would like to ask you a few questions. There are three things that I would like to ask about. One, the amount of money; and the next is the lack of provisions in the bill that refers to political abuses, making it a great machine that could be used for political purposes; and the third is the possibility under the bill of it being controlled by the employer as against the best interests of organized labor, or vice versa, that is, organized labor controlling it against the employee in certain classes. Now, as to the last suggestion, would you say that these employees ought to be put under the civil service?

Mr. LESCOHIER. Let me start with your first question and go through with the three of them.

Mr. BLAND. I will withdraw the last question, then.

Mr. LESCOHIER. On the first point, I could not very well express any opinion because the budgetary question I have not studied, and I think that one of the mistakes of the United States Employment Service during the war was that they did not provide funds sufficient to get big enough men for State directors. They provided them only with a salary of \$2,500 a year, and you can not get the quality of man you want for State director at \$2,500 a year—a man competent to handle any big industrial State. The second point, now, was—

Mr. BLAND. That was with reference to the political significance of it.

Mr. LESCOHIER. In my judgment there should be added to the plan that has been proposed some sort of a council, or some sort of an advisory council, with a large degree of power, representing industry and labor.

Mr. BLAND. And to what extent would you empower the advisory council?

Mr. LESCOHIER. I think that the advisory council ought to be the ones to draw up the rules and regulations and the policies of the service rather than the Secretary of Labor.

Mr. BLAND. And would you clothe them with the appointive power?

Mr. LESCOHIER. I should think that they should be advised with, should be consulted, in the selection of the administrative offices of the service, although I think they ought to be finally appointed by the President or the Secretary of Labor. The Department of Agriculture ought to be represented on the advisory council and the Department of the Interior ought to be represented on the advisory council, because the Employment Service, as it is developed, will have to assume functions of vocational guidance and its relation-

ship to industrial education, which means that the Bureau of Education should have some representative. Now, as to the question of the employer or the laborer getting control of the service, I think it would be covered by the advisory council. I think it ought to have more power than the advisory council which worked with the United States Employment Service during the war.

Now, on the civil service feature—

The CHAIRMAN. We would be glad to have your views on that.

Mr. LESCOHIER. I do not think that a man ought to be appointed in an employment office under civil service until he has first served in the employment office in order to see whether he was adapted to that work. It takes a personal adaptability for the work. It takes a high degree of skill to demonstrate his fitness for the job and be on the job for at least three months before he is permanently appointed under the civil service.

Mr. BLAND. This bill is not very clear to me as to whether or not the Government or the State would have the appointing power of the directors in the State, or the Secretary of Labor would have that power. It seems to be open there for the Secretary of Labor to override in some way the appointment of a governor of a State. Have you studied the provisions of the bill in regard to that?

Mr. LESCOHIER. No; I have not closely, but I think that the governor of the State ought, at least, to have equal powers with the Secretary of Labor.

Mr. BLAND. Equal powers of the Secretary of Labor?

Mr. LESCOHIER. Yes, sir.

Mr. BLAND. Then you would have a deadlock, and what would you do then?

Mr. LESCOHIER. Well, we would have to solve that as we do all deadlocks.

Mr. BLAND. But that is what we want to solve now.

Mr. NOLAN. I do not think that there is any question about the absolute power being vested in the State to select the personnel.

The CHAIRMAN. Now, Doctor, if there are any statistics that occur to you, or any further arguments which you would like to present, we would be very glad to have you send in any briefs. We will be glad to have those briefs from you. If there is anything that occurs to you just send them to us. We have a number of witnesses here and must hurry along.

Mr. LESCOHIER. I would be very glad to submit, if the committee cares to look it over, two or three chapters of my book on the labor market. A copy of the book is in Washington.

Mr. HERSEY. Who is getting it out?

Mr. LESCOHIER. It is being published by the Macmillan Co.

The CHAIRMAN. I think that would be most too much, but you can make suitable references to it if you desire.

Mr. HERSEY. Is it copyrighted?

Mr. LESCOHIER. Well, I have not copyrighted it, but I supposed it is copyrighted by the Macmillan Co.

If I may sum it up, Mr. Chairman, I will say that I am thoroughly convinced that a Federal employment service is seriously needed by the industrial system of the United States. An ever-present labor reserve has in the past provided employers with labor at a serious cost to the Nation in the deterioration of its workers

through frequent unemployment and in the creation of a serious and increasing discontent on their part. The unemployment reached its lowest point of the last 20 years in 1917 and 1918, when it was estimated by careful authorities that approximately 1,000,000 unemployed persons constituted the labor reserve. In ordinary times two to four million are out of work at any given date, and bad years often six and eight million. The existence of a labor surplus during the busiest part of the war was due to the facts, first, that many persons who needed work were not fitted for the particular kind of work for which labor was in demand. Carpenters, for instance, were idle in many States at a time when employers were asking for thousands of men for work on machines in metal industries. Idle labor and unfilled jobs can exist side by side because each demand is specialized. Others in the labor reserve have physical, mental, or moral defects which make them undesirable to the employers seeking workers.

One reason for persistent labor surpluses is the decentralization of the reserve. We have not had a labor reserve, but thousands of labor reserves. Each city has had a multitude of groups of laborers. Every morning sees 10 men at this factory gate, and 100 at that; sees carpenters, laborers, clerks, stenographers, foundry hands, peddling their labor at one business place or another. In the absence of an organized labor market, there tends to develop in each town and around each large establishment a permanent labor reserve. The personnel of this reserve changes, but the reserve is greater or less the number present. American employers have clamored that there was a labor shortage whenever this local reserve tended to disappear.

If each business house had to maintain an individual capital reserve to meet its business necessities, it would require hundreds of millions of dollars more going capital to meet the needs of American industry than it does at the present time. The going capital reserve of all employers is centralized in a banking system. American industry can meet its needs with a much smaller labor reserve if that reserve is centralized at Government employment offices instead of being scattered around at individual plants. The workers have realized more and more in recent years that this policy of decentralized reserves causes them unnecessary suffering and does not properly protect their interests.

Thoughtful employers have likewise begun to recognize that they have not got as good a chance to find the particular kind of help they want by depending on the group congregated at the factory gate as if they go to the larger reserve which could be assembled by well-managed Government employment offices. The relatively small percentage of employers who are opposing the idea of a Government employment service are still obsessed with the idea that they must maintain a decentralized labor reserve. Their attitude is due to the fact either that they are the type of employers, fortunately in minority, who do not desire to provide the best possible labor conditions, or that they have not thought this problem through.

The demand for labor is a decentralized demand. This is one reason for the decentralized labor supply. The demand comes from every sort of employer in every sort of place, for every sort of workman. It comes from Governments, corporations, partnerships, and individual employers; from cities, towns, camps, and farms, and

from factories, mines, banks, stores, and even railroad and steamship lines, and from a host of small workshops, contractors, etc.

The demand is for all sorts of skill or capacity, but each demand is for a particular skill or capacity. This decentralized demand can be put into a centralized organization where it will meet a centralized labor supply, and thus bring the employer who needs a particular kind of workman and the workman who needs that particular kind of a job together with the least possible loss of time.

One of the most important results of a well-managed public employment service will be to prevent the aimless shifting of labor from town to town. Instead of an employer in one city advertising in various cities to secure a certain class of labor which he could find in his own or near-by communities if he knew where to find the particular men who could do his work, his order would be placed in the local employment office and a local man would be given the position if there was such a man in the community. The principal cause of unemployment is the fluctuation of industry's demand for labor. We herewith briefly list some of the causes which force men out of employment and create the unemployed groups whom we maintain should be replaced in industry by a Government service:

(1) The rise and decline of industries: Illustration—The increasing demand for labor in automobile factories, cottonseed-oil products, beet-sugar factories, in recent years. Decrease during the war, of manufacturing of paving materials, oleomargarine manufactures, and starch works. The suspender industry decreased rapidly in recent years because of the custom of wearing belts. The liquor industry is now crippled, declining because of legislation.

(2) Changes within industry: Decline in bicycle manufactures, saddlery and harness making, lumber and brick industries just before the war due to changes in social customs.

(a) Increased use of machinery displaces labor in one industry or another. For instance, men's furnishing goods in 10 years increased their capital 17 per cent and increased their labor force 23 per cent. Many illustrations of this phenomenon is familiar to every one who knows American industry.

(b) Business failures or reorganizations frequently displace considerable number of workers. Industries moving from one locality to another displace labor at the places where the plants are closed. Termination of large contract jobs such as subway constructions, building jobs, etc.

Within each year, busy or dull, there is a pronounced seasonal fluctuation of employment. In the spring the consumer purchases different commodities from those which he uses in the summer, fall, or winter. This shifting of demand causes alternate busy and dull seasons in various industries. In addition, weather directly compels some industries, such as farming, lumbering, and ice harvesting, to operate during only a part of the year.

We are accustomed to speak of busy or dull years, of busy periods, and of depressions. It is much harder for the workmen to find steady employment some years than others. In every year a much larger number of workers could be employed if all of the jobs which employers are able to offer could be filled. Unfortunately many are out of work, and at the same time opportunities of employment are unfilled. The employer and the workmen do not know how to get

together. A public employment service is essential to accomplish this. State offices can not meet the demands of the Nation. Neither can a poorly equipped Federal service, such as existed under the Bureau of Immigration and Naturalization from 1907 until the creation of the United States Employment Service. Relatively few of the States feel that they can afford at the present time to adequately maintain a sufficient number of offices to thoroughly care for the employment needs of the State. Furthermore, every State which has undertaken employment work has quickly found that both the demand for labor and the supply of labor is interstate and not intrastate. Workers drift into labor centers like Minneapolis, Chicago, and New York from many States, and industries from other areas expect to come to these labor centers for workmen. The business is essential and interstate business. The State governments believe that it is the duty of the Federal Government to assume part of the cost of maintaining it. Furthermore, as long as we depend upon State offices it will be impossible to attain any uniformity of practice to clear supplies of labor and orders for labor from State to State, and to get adequate knowledge in each office of conditions in the labor market.

The United States Employment Service during the war had many limitations. That is frankly recognized by all who know anything about the service. This was inevitable, however, since we attempted to develop in a few months, and over a tremendous area, a service with twice as many offices as Great Britain had built up through 10 years of experience and under the guidance of trained experts. The British service, which is the best in the world, encountered the same opposition during its early years as the idea of an American Federal service has encountered in the United States. Many employers and many workers in Great Britain distrusted the idea of a national employment service, and did not believe that it could meet their needs. But after a few years' operation the service won the thorough support both of British industry and of the British workers. It was the very backbone of the British nation during the period of the war. It is significant that in 1917 Great Britain, which had operated without any advisory boards up to that time, added the advisory board to its various offices, and that the British Ministry of Labor, at the end of 1917, suggested that this was the most important development which had taken place in the British system during 1917.

I strongly believe that such boards are essential to retain the thorough confidence of the employers and the workers in the neutrality of the service.

The CHAIRMAN. We will now hear from Mr. Henry D. Sayer.

**STATEMENT OF HENRY D. SAYER, INDUSTRIAL COMMISSIONER
OF THE STATE OF NEW YORK.**

The CHAIRMAN. Please give your name.

Mr. SAYER. Henry D. Sayer.

The CHAIRMAN. And your residence?

Mr. SAYER. Richmond Hill, N. Y.

The CHAIRMAN. And your profession?

Mr. SAYER. My position is that of industrial commissioner of the State of New York.

The CHAIRMAN. Yes——

Mr. SAYER. The former director of the United States service in New York State.

The CHAIRMAN. May I ask you, are you for or against the bill?

Mr. SAYER. I am against the bill as it stands. I have certain amendments here that I would like to suggest to the committee if there are no objections.

The CHAIRMAN. Let us revert to the question as to whether or not you are in favor of a national employment bureau.

Mr. SAYER. I am in favor of a national employment bureau under certain conditions. I would like to make a statement in regard to that.

The CHAIRMAN. Just make your own statement. We would be glad to hear you.

Mr. SAYER. The Industrial Commission of New York does not desire the continuance of the United States Employment Service as an independently operating employment unit competing in the same field with the State employment bureau. The industrial commission would welcome, however, a cooperative Federal and State service whereby the State might receive for use by it in maintaining an employment service the amount of moneys which otherwise would be expended by the Federal Government in supporting such a service in New York.

The bill introduced by Mr. Nolan, H. R. 4305, would not in its present form effect such a cooperative relation between the Federal Government and the State of New York. While on its face it seems to create a Federal-State service, the provisions for the payment of moneys to the State are so vague and so unsatisfactory that it is certain they would not effect the purpose desired. The bill provides that moneys to which a State may be entitled shall be paid over to the treasurer of the State to be used to supplement the moneys appropriated by the State for the employment service. Nowhere in the bill is there any specific authority to any official of the State to draw upon the treasurer for such moneys, and it is not at all clear that the State treasurer might not turn the funds into the general funds of the State and decline to pay them out except upon an appropriation by the legislature. After a careful examination of the bill and careful consideration of its provisions I am thoroughly convinced that in New York State, at any rate, the State treasurer is not authorized to "receive and use" the moneys allotted to the State.

Under the bill as it stands, therefore, the service could only be conducted in one of the two remaining ways: First, in such manner as may be agreed upon between the Secretary of Labor and the governor of the State; and, failing such an agreement, the service to be continued by the Director General of the United States Employment Service. There is no certainty that any agreement might be reached between the Secretary of Labor and the governor of New York, nor of any other State. The terms of such an agreement would, without question, be dictated by the Director General of the United States Employment Service. With the funds to carry on the work in his hands and with the only alternative in the event of failure to agree with the governor of the State that the Director General may continue an independent service, it is not only conceivable, but altogether likely, that the director general

may impose such terms and conditions upon any State that the agreement could not and should not be reached with that State.

It may be urged, in answer, that the bill limits the time wherein the director general may continue such service to a period of six months. If, however, the director general should continue the service in any State in the event of the failure to agree with the governor and if the service was in full operation, it is certain that the director general would not abandon it at the end of six months, but that he would continue such a service so long as the moneys continued available to continue it.

In this connection I desire to submit to the committee a copy of a letter written by me to the Director of the United States Employment Service in New York State on June 16, in which I pointed out the defects of this bill. This letter was written by me after the bill had been submitted to me by the director in New York State for examination.

(The letter above referred to is here printed in the record in full, as follows:)

JUNE 16, 1919.

DR. GEORGE W. KIRCHWEY,
Federal Director, United States Employment Service,
469 Fifth Avenue, New York, N. Y.

MY DEAR DEAN: I have given very careful consideration to the Nolan bill, H. R. 4305, providing for the establishment of a national employment system and for cooperation with the States for promotion of such system, a copy of which you recently sent me.

I am much disappointed at some of the provisions in the bill. While upon its face it seems to be a bill designed to effect cooperation between the Federal Government and those States that are maintaining employment systems, the bill does not, in my judgment, effectively accomplish that purpose, and in some respects does not carry out the provisions agreed to in the general outline of a national bill approved by the National Conference on Employment in Washington. I have submitted the bill to our chief counsel, Mr. Shlentag, who, as you recall, was designated by the governor to represent the State of New York at the National Employment Conference, and he agrees with me that the bill is defective in certain important particulars.

You will recall that when you and I discussed the matter of the general outline of the bill I made certain suggestions with regard to the provisions relative to the moneys to be paid over to any individual State and called your attention to the fact that so far as New York was concerned the provisions of the New York finance law should be borne in mind. Notwithstanding that, section 4 provides for the payment of a State's allotment to the treasurer of such State, without any language contained in the bill empowering the treasurer to use the money except that any sum so paid to the treasurer of any State "shall be employed in accordance with the provisions of this act to supplement the sums appropriated within the State for the State's system of public employment offices and shall be accounted for to the Secretary of the Treasury in such manner as he may prescribe."

This language is so vague that it is certain that no fiscal officer of a State would undertake to handle the Federal funds and to account for them to the Secretary of the Treasury. In the case of New York State, for instance, upon whose warrant is the treasurer to pay out the moneys? Under his general powers the treasurer can not pay out any money except upon the warrant of the State comptroller upon vouchers issued by the appropriate State official. It is conceivable that the State treasurer might decline to pay out any of the funds in his hands without such warrant of the comptroller. In that event the comptroller might very properly decline to issue any warrant or to assume any responsibility with respect to any payment to be made out of the fund, since no authority is conferred on him under the terms of this bill. If the comptroller and the State treasurer should, however, agree to audit and pay out the funds, let us say, upon vouchers approved by the industrial commission in this State (although no authority is contained in the bill for the industrial commission to issue such vouchers), what of the provisions

with respect to civil service? Could Federal funds be used to supplement salaries of personnel already in the State employment bureau? Could Federal funds be so used to pay the salaries of persons who were not appointed in accordance with the State civil service law and regulations?

If such persons were appointed by the industrial commission without regard to the State civil-service law, against whom would they have a claim for services if their salaries were not paid or if the State treasurer declined to pay the warrant for such person's salary? Might it not be held that such persons paid out of the Federal fund were Federal employees and must be appointed in accordance with the Federal civil-service regulations? If the Federal funds were used for paying for supplies and equipment or for traveling and maintenance accounts, who is to audit such accounts and to pass upon their reasonableness? Surely not the State treasurer in New York State, for in this State, at least, he has no such function and has no equipment for such audit. That is the exclusive function of the State comptroller in New York.

These are merely samples of some of the questions that would inevitably and certainly arise under the attempted administration of this act, and many others might be cited.

It may be urged, in reply, that the Secretary of the Treasury will issue regulations prescribing the manner of auditing and accounting for the Federal funds. I do not understand, however, that an administrative or executive officer can by rule or regulation make for a fundamental lack of legislation. The power to declare all matters suggested by the questions I have just propounded is a strictly legislative power and must be taken care of by exact language in the fundamental legislative act.

Section 5 of the bill, in its subdivision (b) is wholly objectionable and in entire variance with the agreement reached at the National conference on employment. This section provides that in a State "where the State treasurer is not entitled or authorized to receive and use for the purposes of such system" the portions of money appropriated for the Employment Service, that the system is to be maintained by such officer or board and in such manner as may be agreed upon between the governor of the State and the Secretary of Labor.

In the case of New York State it is quite certain, as I have demonstrated above, that the State treasurer is not "entitled or authorized to receive and use" Federal funds for an employment system. So far as New York is concerned, therefore, the only possibility of the maintenance of a cooperative system between the State and the Federal Government would be in the event that an agreement was reached between the governor and the Secretary of Labor. If, however, the Secretary of Labor, acting through the director general of the Employment Service, should impose conditions impossible of acceptance by the State of New York, an agreement between the Secretary of Labor and the governor might conceivably not be arrived at. No provision is made for such eventuality except that pending the conclusion of any such an agreement the Secretary of Labor may maintain in any such State a system of public employment offices controlled by the Director General of the United States Employment Service. This is precisely what we in New York do not think should take place.

Personally, as I have explained to you, and as I have publicly stated to the governor's reconstruction commission, and elsewhere, I am absolutely opposed to the continuance of a separate and independent system of employment offices in the State of New York. I would be glad to agree to such a bill as might be drawn for State cooperation only in the hope that the present intolerable situation of a State and Federal employment service competing in the same field should be done away with. The war emergency that called the United States Employment Service into existence has passed, and there is no justification for continuing the Federal employment service in the State of New York. The State legislature has made a generous provision for the continuance and expansion of the State employment bureau.

If the provision sought to be included in the sundry civil appropriation bill for \$4,000,000 for the employment service, to be expended under the direction of the Secretary of Labor until such time as the Nolan bill or some other similar bill is passed, means a continuance of the United States Employment Service in the State of New York as a separate, independent, operating service, then I am opposed to the adoption of that provision of the sundry civil bill. I had very greatly hoped that the formulation of such a fundamental bill, and its introduction and passage through Congress, might lead to the speedy termination of the difficulties under which we have been laboring in New York. The bill that is proposed, however, falls far short, in my judgment, of

ending such troubles, but on the contrary, to my mind, will most certainly make for greater complications than the ones that now exist.

Sincerely, yours,

HENRY D. SAYER, *Commissioner*.

Mr. SAYER. No reply was made to this letter, and I have not been requested by the director to submit any amendments to remedy these defects. I have, however, drafted certain amendments to the bill as originally introduced, and which I desire to submit to the committee for consideration. These amendments are designed to provide, first, that no State shall be deprived of its allotment of moneys upon the ground that its service does not comply with rules, regulations, and standards of the department, unless a statement in writing pointing out the particulars in which it fails to comply is furnished to the proper officer of the State, and an opportunity given for a reply, and for a hearing before the Secretary of Labor. I believe that each State is entitled to at least that consideration.

Second, that there shall be an annual conference of the administrative heads of the employment service of the various States; that all rules and regulations, and matters affecting the general policy to govern such national service shall be submitted to such conference. This I deem to be of the highest importance. It may be urged that the Secretary of Labor would call such conferences in any event, but such conferences should not be dependent upon the willingness of the present Secretary of Labor, or of any succeeding Secretary to issue a call, but should be mandatory in order that the States should feel that they are attending as of right, and not merely by courtesy.

Third, and most important of all, is an amendment that is designed to provide that, instead of paying the moneys over to the treasurer of the State, who in many instances would not be empowered to use them, to provide that sums shall be paid to such officer, board, or commission as may be designated by the governor of the State, or, failing such designation, that they be paid to the statutory officer, board, or commission of such State who, by the laws of the State, administers the employment service of the State, and, further, empowers such officer, board, or commission in definite and specific language to use the moneys for the purposes of the act, to make appointments, leases, purchase supplies, etc. This amendment also provides that all appointments made within the State shall be made in like manner as appointments in the State service. This would require that in States having civil-service laws and appointments in which are regulated by such laws or rules and regulations, all such appointments be made in accordance with the civil-service laws of the State. This would prevent the service from becoming a mere political machine—would, in my judgment, make for efficiency and would prevent the spectacle being presented in New York of having one-half of the employees of the joint service appointed in accordance with the civil-service laws and regulations and the other half appointed entirely without regard to civil service. It would create a very bad situation if applicants for positions who failed to pass their civil-service examinations could thereafter be appointed without regard for civil service and paid for out of the Federal fund.

Mr. GOULD. A great many of the States have employment agencies, but have not any facilities for civil-service examinations in the States.

Mr. SAYER. Well, I am speaking, really, from the standpoint of New York, where we have very thorough civil-service laws and where we have employment services, the appointments for which are entirely within the civil service. I am not so familiar with the situation in other States that are lacking in the civil service.

Senator KENYON. But you could remedy that by having the national civil service apply in those States where they have no civil service.

Mr. SAYER. The amendments read that all the appointments shall be made in like manner as prevail in the State. Where there is no civil service the appointments could be made as prevailed in the State.

Mr. BLAND. And this amendment was that the appointments made by the director general shall be made in the civil service.

Mr. SAYER. I did not contemplate that the director general would have the making of any appointments within the State. The amendment provides that all appointments made within the State shall be made in like manner as appointments in the State service. It provides that the officer designated by the governor or by the laws of the State would have charge of the administration of the State service.

Mr. BLAND. But, where they have no organization within the State, the bill provides that the director may appoint—

Mr. SAYER (interrupting). Yes, sir.

Mr. BLAND. In accordance with the Federal civil service rules. The director may be appointed in accordance with those rules.

Mr. SAYER. I should think in that case that the appointment should be made in accordance with the rules of the Federal civil service, by all means.

Fourth, having provided by the last amendment a definite method of paying the money over to such State office as can use the money, there is no necessity for provisions in section 5 for an agreement with the governor or for the maintenance of the United States Employment Service under the director general without regard to the State.

Fifth, striking out the limitation of the service to the year 1922. As it stands it would create a chaotic condition after two years, and is unnecessary. There is a provision in this bill that this service—that the appropriations were authorized to be made to June 20, 1922, and I am not aware of the reason for that limitation. I think that the condition at the end of 1922 would be that you would be down here talking over again the question of whether the service should be continued.

The CHAIRMAN. The main question that we are endeavoring to solve is whether or not there should be a permanent bureau established at all. After that is established the matter of appropriation would be taken up and gone over carefully, but where there is no basic law for the establishment of that bureau it would be subject to the point of order. In order to get the funds to operate it—

Mr. SAYER. If I understand the rules of the House, under this bill, if it is adopted in the present form, the point of order would lie against the appropriation—

Mr. MACCRATE. That is, for this amount of \$4,000,000 for a three-year period, and after that time it might be increased or decreased.

Mr. NOLAN. Mr. Sayer, do you know whether the State of New York was represented at the conference that drew the bill?

Mr. SAYER. Not that drew the bill, but that formulated the outline of the bill. The bill did not follow the outline adopted at that conference.

Mr. NOLAN. With the exception of the advisory council, it was practically what they recommended.

Mr. SAYER. There was no provision for any agreement with the governor in the event that the State treasury was not authorized to use the money for the State, and there was no provision stating or permitting the Attorney General to go into a State and operate in competition with a State for six months.

Mr. NOLAN. Who represented the State of New York at that conference?

Mr. SAYER. Mr. Sheintag.

These amendments are all designed to make the bill more workable and to give the State some rights in the matter. As at present drawn all power and authority is centered in the Secretary of Labor and the Director General of the United States Employment Service. The result would be that the State would be making a contribution to the Federal service rather than the Federal service encouraging State activity and aiding the State. The system of control of the United States Director General would become very irksome, would give the State little incentive for expansion, and, in my judgment, would tend to magnify friction that has existed between the Federal service and the State service in many respects.

New York State has made a generous appropriation for an employment service. It was one of the first States to have a public employment service. During the war period the State employment bureau was turned over to the United States service as part of its war contribution, and along with that service was given my own entire time and service without compensation.

New York State has established its employment bureau for the current year on the basis of approximately \$375,000, and it is now maintaining 20 employment offices. The State bureau enjoys the confidence of the communities which it serves, both the employers and the workmen, and it is entitled, in my judgment, to be recognized by the Federal Government as an important instrumentality in the field of employment and encouraged to expand its services still further. We can not, however, continue with any degree of efficiency if there is to be maintained a separate operating service maintained by the United States Employment Service, competing in the same field, canvassing the same employers for opportunities for workers and establishing offices that encourage workers to go from one to another registering in two or more offices and thereby creating a vast amount of duplication as well as inaccurate statistics with regard to the unemployment in the State.

Mr. CASEY. Tell us how that would be accomplished under this bill.

Mr. SAYER. I have pointed out very briefly in the letter, which I did not read, the State treasurer in New York State is not authorized to receive or use money from the Federal Government for the establishment of an employment service. He would, if he received the moneys, be obliged to decline to honor any warrant drawn upon them. There is no provision in the bill as to who shall draw upon the State treasurer for those moneys. The State treasurer would

not extend them because he does not maintain an employment service and has nothing to do with the employment service except to pay vouchers that are drawn by the industrial commission and approved by the State comptroller. Therefore, since he could not use the moneys, he would not be entitled to receive them, and under the conditions of the bill, in that contingency, an agreement might be reached between the Secretary of Labor and the governor of the State for maintaining the service in some other way, but as there is not any such an agreement, the bill provides that the Attorney General may maintain an independent employment service. That is what we would be up against in New York, and what we object to in New York.

Mr. CASEY. For how long a period could you maintain it?

Mr. SAYER. For three to six months, but it is inconceivable that at the end of the six months the United States Employment Service would simply withdraw from the field. If they had offices there, they would continue that.

Mr. CASEY. Is it your understanding that this bill provides that where there is an employment service under the provisions of the bill, the director general or the Secretary of Labor would go into the State and set up an independent service and continue it in operation for six months?

Mr. SAYER. Well, I think there is no question about that.

Mr. MACCRATE. And also provided the State refused to accept the rules and regulations laid down, they could still continue, could they not?

Mr. SAYER. If they refused to accept the rules and regulations laid down, which might, in fact, be contrary to the New York law. If the rules and regulations were contrary to the New York law, the State would not accept them and the director general could maintain a separate system.

Mr. NOLAN. Now, I will go further with you than that, and we will make it impossible to go any place where the State does not act in a helpful way, and I do not believe that any Federal service should be established in a State unless it was acceptable to the State.

Mr. SAYER. I think that is absolutely correct.

The CHAIRMAN. Have you concluded.

Mr. SAYER. Well, the Industrial Commission resolution has authorized me to submit those amendments and to urge their adoption to your committee. If the bill be amended with these particulars, we will heartily support it. If the bill be not amended, we believe it will make for lessened efficiency, creating inevitable friction, and work only harm in the general employment situation.

Mr. HERSEY. And if the amendment you suggested were adopted by the committee and copied into this bill, would you be in favor of the bill?

Mr. SAYER. I would, sir.

Mr. HERSEY. And how would it be any better legislation than you have now?

Mr. SAYER. Do you mean in New York?

Mr. HERSEY. In your State; yes.

Mr. SAYER. It would simply mean that New York State would have twice the service that it now has. It would meet the industrial situation in New York better. For instance, New York State is

maintaining an employment service on the basis of \$355,000, and as I understand it, the population allotment would have entitled New York to \$300,000.

Mr. HERSEY. And you would expect that New York, with its present efficient service, would not have that taken away?

Mr. SAYER. It would not have that taken away.

Mr. HERSEY. And it would have the benefit of the Federal appropriation?

Mr. SAYER. And it would have the benefit of the Federal appropriation.

Mr. HERSEY. And if you could not have the benefit of the Federal appropriation you would not be in favor of the bill?

Mr. SAYER. I would not.

Mr. NOLAN. And what benefit would come to the State of New York industrially provided it was put into intimate touch with the New England States and the other States surrounding it that have great industrial activities; that is, under the mobilization of labor. Is there any advantage to you there?

Mr. SAYER. There might be, but I think that the advantage would be to the benefit of New Jersey and Connecticut and Massachusetts. New York is perhaps the greatest labor market in the country; that is, New York City, and we found that during the war period when there was an absolute prohibition against taking labor out of the State except under a permit, with the permission of the State director, I think New York was shipping thousands and thousands of men to other States. The plants with great Government contracts had been located in other States, in Massachusetts and surrounding States, and as far away as West Virginia, and that called for weekly shipments of thousands of men out of New York City, and these industries were established with New York City as their labor market. They came to us and said, "We have always gotten our labor supply from New York City, and when we established this plan it was the expectation that we would draw upon New York for this amount of labor." and I received numerous communications from the director general at Washington directing us to give priority to Nitrate, W. Va., and to Magnolia, Md., and to Hog Island shipyards, or to the Remington plant up in Connecticut.

Mr. CASEY. This was during the war?

Mr. SAYER. This was during the war, and New York City furnished a very, very large percentage of all the available labor for many of the war contracts that were being executed within a radius of 200 miles.

Mr. NOLAN. I want to ask one or two other questions. Since the armistice was signed, the statement has been made by the newspapers that a great many men that were demobilized in the camps adjacent to New York went directly into New York City. Is that true?

Mr. SAYER. That is true.

Mr. NOLAN. Would some system of distribution of labor help to solve the unemployment problems that existed in New York, such as we read of existed there several months ago, when thousands of these demobilized men went into New York with some sort of an interstate agency, a governmental agency, that would create a channel

here that these men would go out through, and would that help to solve the unemployment problem in New York?

Mr. SAYER. Well, not unless it worked with the State agency.

Mr. NOLAN. That is what I mean. A Federal clearing house respecting the rights of the State and in intimate touch with the clearing house—

Mr. SAYER. I think that that would be very advisable.

Mr. NOLAN. We had a witness here who had a plant down in New Jersey. His great complaint was that he could not go into the city of New York with the consent of the Federal agency and recruit labor there through the fee-charging agencies.

Mr. SAYER. Yes; during the war period there was a prohibition against the use of fee-charging agencies. The President issued an order to the effect that those who had war contracts and used more than 100 men or women must use the Federal bureau of the United States Employment Agency.

Mr. NOLAN. He also testified that notwithstanding that order, he went into the city of New York and got 1,500 men a week.

Mr. SAYER. I do not know as to that, but I would not be surprised.

The CHAIRMAN. Was there any evidence anywhere in your State, or in any place, that they were trying to use this bureau to try to build up the labor unions or in the interest of the labor unions?

Mr. SAYER. I could not say in New York that we had that experience; no, sir.

Senator KENYON. I think, Mr. Sayer, that you were left in rather an unfortunate situation by your answer to a question from the Congressman from Maine. You said that you favored this, because New York got a contribution or an appropriation. You also said that you would not favor this law, even as amended, without New York getting a contribution or an appropriation. Do you really mean that?

Mr. SAYER. No; I really did not mean that, Senator. I think that my position would be—my position, entirely irrespective of whether New York got an appropriation or not, would be that if the service were to encourage the States and extend into the States and cooperate with them, it would be a good thing; but if Washington is to impose its own terms and conditions and to make the rules and regulations, irrespective of the States' views in the matter or irrespective of the conditions existing in those States—I have found that Washington does not always well understand the conditions in the States—I think you will have a deplorable situation, and, irrespective of whether or not New York receives any appropriation or not, I think we should have an employment service, but I would object to an employment service being run by the United States irrespective and independently of the States.

Senator KENYON. And not with the cooperation—

Mr. SAYER (interrupting). I do not think that cooperation will ever make up for the fundamental coordination. Frankly, we have tried for six months cooperation, but we have found that it is a failure. It is always a failure if there are two directing heads—and if there is a directing head in the State which is answerable to some head in Washington you can not have coordination under those circumstances.

Mr. NOLAN. In its share of appropriation. New York would receive what appropriation? I do not want you—

Mr. MACCRATE. About 28 cents of every dollar appropriated would be paid by the New York State taxpayer.

Mr. SAYER. I should be in favor of the enlarged service if we can get it in New York, where the New York people would be taxed directly for it. I think it should be a State service, under the control of the State.

Mr. MACCRATE. And do you think that there should be a prohibition in the bill against priorities of the orders?

Mr. SAYER. I do think there should be a prohibition in the bill against priority of the orders unless approved by the State.

The CHAIRMAN. Have you any other statement or statistics that you desire to offer?

Mr. SAYER. No.

Mr. HERSEY. I think that the amendments should be made a part of the record and that they should be printed in the record. I make that motion.

(The motion was put by the chair and was carried by unanimous vote, and the suggested amendments are here printed in full in the record, as follows:)

AMENDMENTS TO H. R. 4305.

On page 2, lines 24 and 25, strike out after the word "thereafter" the words "up to and including the fiscal year ending June 30, 1922."

On page 3, in line 7, after the word "the," strike out the word "treasurer" and insert in lieu thereof the words "proper officer or officers."

On page 4, in line 8, after the word "State," strike out the word "treasurer" and insert in lieu thereof the words "officer or officers."

On page 4, in line 14, after the words "act," add the following: "but not in conflict with any State law."

On page 4, in line 18, after the word "to," strike out the words "the treasurer of."

On page 4, in line 25, at the beginning of the line, strike out the word "treasurer" and substitute in lieu thereof the words "proper officer or officers."

On page 5, in line 9, after the word "to," strike out the words "the treasurer of."

On page 5, in line 14, after the word "efficiency," add "*Provided, however,* That no State shall be deprived of the moneys to which it would be entitled until after a statement shall have been furnished, in writing, to the administrative head of such State system of employment offices setting forth in detail the respects in which such State system fails to comply with the rules and regulations and standards of efficiency, and opportunity shall have been offered for reply and for a hearing before the Secretary of Labor. It shall be the duty of the Secretary of Labor at least once in each year to call a conference of the officers having administrative responsibility for the public employment systems of the several States to meet in the District of Columbia. All rules, regulations, standards, and like matters affecting the general policies to govern such State systems shall, before approval by the Secretary of Labor, be submitted to such conference for consideration and advice. The Director General of the United States Employment Service shall be the permanent chairman of such conference.

On page 5, strike out lines 15 to 22, inclusive, and substitute in lieu thereof the following:

"The amount of money to which any State is now or may hereafter become entitled shall be paid over by the Secretary of the Treasury to such officer, board, or commission of such State as may be designated in writing to the Secretary of Labor by the governor of such State, or in the event that the governor fail to so designate any such officer, board or commission, then to the officer, board, or commission charged by the laws of such State with the administrative responsibility for and direction of the State system of employment offices. Such officer, board, or commission shall have full power and authority to use such money to supplement the moneys appropriated by the State for a public employment system, to appoint assistants and employees for duty within such State, to make leases, purchase equipment and supplies and otherwise

expend such moneys to carry out the purposes of this act. Sums so expended shall be accounted for to the Secretary of the Treasury in such manner as he may prescribe, and any amount thereof not so expended during any fiscal year shall be restored to the Treasury of the United States. All such employees shall be deemed employees of the State and not of the United States and shall be appointed and may be removed in like manner as by the laws of such State appointments and removals may be made.

On page 6, strike out lines 23, 24, and 25, and on page 6, strike out lines 1 to 23, inclusive, and substitute in lieu thereof the following:

"SEC. 5. In States where there is no State system of public employment offices, the Secretary of Labor shall have authority to expend in any such State so much of the sums apportioned to such State on the basis of its population and so much of the unapportioned balance of the appropriation made under the provisions of this act as he may deem necessary in maintaining and establishing a system of public employment offices under the control of the Director General of the United States Employment Service."

STATEMENT OF MORRIS L. ERNST, ATTORNEY AT LAW, NEW YORK CITY.

The CHAIRMAN. What is your name?

Mr. ERNST. Morris L. Ernst, New York City.

The CHAIRMAN. And your official position?

Mr. ERNST. I have no official position. I am an attorney. I was instrumental in the framing of the State legislation and was called upon by Mayor Mitchell's administration to assist in forming the city ordinances in connection with the employment service. I have acted on the various committees, and I only held one position, and that was temporarily—the City Industrial Commission, the council in organizing the clearing house.

The CHAIRMAN. Who do you represent?

Mr. ERNST. I represent no one but myself.

The CHAIRMAN. Are you in favor of a United States Employment Service being established, a free Federal service?

Mr. ERNST. I am; under certain conditions.

The CHAIRMAN. Will you state them, and make your statement in your own way.

Mr. ERNST. Yes, Mr. Chairman, and I will be brief. Before addressing any criticism to the bill as it is, I wish to introduce the thought that owing to the prejudice throughout the country against the service, and there is a great deal of prejudice, and it would not be removed, in my opinion, unless the personnel at the head of the service is changed. The falsity of the records, the misleading information—

The CHAIRMAN. Do you mean the Secretary of Labor?

Mr. ERNST. No; I mean the head of the employment service. I mean Mr. Densmore.

The CHAIRMAN. You mean the director general?

Mr. ERNST. Yes, sir. The fact that the department in Washington conducted an independent service in States in conflict with the State directors of the Federal Employment Service, the fact that the union-labor members were in New York City, doubtless without authority, but still with responsibility, and this I know, because I made an investigation of that for the board in the city, and for other reasons, I think it would be most wise to consider the getting of this institution on a proper foundation and to change the personnel at once.

I have this feeling, that there are three things that the Government should do. In the first place it must have charge of the clearings between States, and it is my personal impression that to-day the clearings between the States is a fiction and a myth, but it can be developed. It should encourage the development of employment service information in the States and have it responsible information and authoritative information, in order to make the employment service information a true barometer of the country, and it must be of all the States, for if we leave out half of the States, the information in regard to employment and unemployment in other States would be negligible. In the first place it should encourage the States that have systems to keep them up, and in all those States where they have the system, to keep the system on a uniform basis, not only so the clearings may be effective, but that the information gathered will not be as it has been in the past, misleading. I lay stress on the importance of misleading information, because I believe it is an economic crime to announce a period of great distress in the near future on figures that are not accurate and to attempt to create a hysteria in business and in labor that does not exist.

Senator KENYON. What do you refer to, if you please?

Mr. ERNST. If you will look at the monthly report, you will find in many offices where they have reported more placements than they have people registered. That means that the records were padded, and that every man referred to a position was considered to have been placed.

Senator KENYON. And do you think that Mr. Densmore was responsible for that?

Mr. ERNST. I do, after it had been pointed out to him.

The CHAIRMAN. And how could he correct that? How would you correct it?

Mr. ERNST. I submit that the States which were operating, it is true before the war, and were under less pressure, but they were operating in a more scientific way, and they were more efficient than were more appreciative of the technique of the business. I have followed the Massachusetts and the New York State systems—

The CHAIRMAN. But every man that gets a job signs a card and he sends it in.

Mr. ERNST. I have not seen any of those cards, but I venture a guess that in the employment business not 50 per cent of the placements are notified through cards. The Federal Government adopted the telephone method and many other methods, and on day jobs, if a man was sent out and if he did not come back they assumed that he was placed. It is not very serious except for the matter of the statements to the effect that so many million people were placed at a dollar a man. If the Federal Government placed two employees in a State and there were placements made through that State office, the Federal Government should credit for that. That was true before the war. Of course, it does not affect me at all, whether the records are true or not, but if the information is put into the press that in Buffalo we are on the eve of a great period of distress, and if that is false information, it is a very serious situation.

Now, as to the bill itself, I have mentioned the reason why I am in favor of the United States Employment Service, and I believe that it must be a prerequisite for unemployment insurance, but I do not

believe that it accomplishes its purpose. As I read the bill, if a State—and I will give a concrete example—if a State in 1914 appropriated less money than it did in 1918, and it is possible for no other reason than the fact that the Federal Government entered into the business, that it could not get any appropriation at all under section 4 of the bill. It is limited to appropriations to States that have made appropriations. Let us say that Ohio, for instance, had an appropriation, but that it refused to make an appropriation of \$3,000 over 1918. Now, Ohio could not get one penny under section 4. Now the only other place it could get money is under section 5, and under section 5—a it could not get a penny, because it was continuing the service, and that provision provides that where the States where there is no service there is no appropriation. It could not get it under section or subdivision b of that section. The only other possible section is under section 3, which reads that if the allotment of the dollar for dollar basis is less than the population allotment, the difference may be allotted—it does not say appropriated, but allotted elsewhere. If that means appropriated, it is possible that if Pennsylvania had a surplus, that surplus might be turned over to Ohio, and if Ohio had a surplus that surplus might be turned over to Pennsylvania. I do not think that the framers of the bill had any such intention in mind. As I read “elsewhere,” elsewhere might mean where there are no State systems. I assume that the Labor Department has submitted its figures of the amount appropriated in 1918 and 1919. I do not know what they are, but my offhand guess is that possibly it would amount to a million or a million and a half dollars, that that amount might have been appropriated. That would mean that two and a half million dollars would be left to the Federal Government.

Assuming that half a million dollars would be necessary for overhead expenses, the balance would be spent in States where there are no systems, because they are not limited to the population allotment, and it may be spent in States where they are in excess of the population allotment. That is the first serious criticism that I make to the bill.

I have this rather less important criticism to make: It is practically provided, under section 4, the dollar-for-dollar basis, that the appropriations made by the cities in States shall be included as a part of the State appropriation under certain circumstances. However, when we get to this comparative class; that is, when we are comparing the States appropriation of 1919 and subsequent year of 1918, we are not allowed to take into consideration the amount appropriated; we do not take into consideration the amount appropriated by the cities in conjunction with the States. We are playing hot and cold on a theory. If they are right on one, then they should be on the other, and we should not straddle. I would be materially influenced in the amount of the appropriation by knowing just how much will be called for on the dollar-for-dollar basis.

The CHAIRMAN. But this is not a committee of appropriation. It is not an appropriating committee. This committee is simply to ascertain whether or not this employment service should be established, but the Appropriation Committee will have to do with the appropriations, and that question will be gone into when the appropriations are made.

Mr. ERNST. But that goes to the essence of the theory here. My offhand suggestion, and I have not confirmed it at all, would be roughly as follows: To appropriate a fixed sum, and not a large sum, with maximums and minimums to be spent in States where there are no systems, with the provision that that service may be continued by the Federal Government only for a limited period of time. I am flying in the face of the previous statement that the system must be rounded out eventually, but I see no way of overcoming this difficulty. If we adopted this measure and allowed these appropriations to be unlimited, there would be no inducement—

Mr. MACCRATE. Except at the end of six months the appropriation could be withdrawn.

Mr. ERNST. It could be at any time. This six months has no effect whatever on States that have any system.

Mr. CASEY. How about the appropriation in there for two years for the States where there are no systems?

Mr. ERNST. Will you refer me to that in the lining, if somebody has it?

Mr. MACCRATE. Well, as regards to the six months—

Mr. ERNST. As I read the six months' provision, it does not apply to a State except where there is a State system, and no agreement can be entered into with the State treasurer.

Mr. NOLAN. I think you are right on that.

The CHAIRMAN. Is that all, Mr. Ernst?

Mr. ERNST. Yes; but I wish to say that I am in hearty accord with what I have heard of Mr. Sayer's statement in the matter of the appointment of an advisory power in a State system.

The CHAIRMAN. And if anything more occurs to you in the matter of statistics or statement, won't you hand it in to us?

Mr. MACCRATE. Would it not modify the words "falsity of the records" if you assumed that perhaps two agencies were placing a man, a voluntary agency and a State agency, and the man may have had two cards, and that therefore the number of placements would appear to be more than the number of applicants. For instance, John Smith, we will say, went to the Young Men's Christian Association, and he also went to the State agency, and he went to a job, and he might have two cards—

Mr. ERNST. I do not believe so. I think that when the records show that there are more placements than there are registrations, the records must be inherently wrong. It is not only due to the fact that the reports come in too late to clear them up.

STATEMENT OF ALBERT R. WHITE, TAUNTON, MASS., MEMBER OF THE ADVISORY BOARD OF THE STATE OF MASSACHUSETTS OF THE EMPLOYMENT SERVICE.

The CHAIRMAN. Will you give your name to the stenographer?

Mr. WHITE. Albert R. White.

The CHAIRMAN. And will you state whom you represent?

Mr. WHITE. I am from Taunton, Mass., and I am a member of the advisory board of the State of Massachusetts on the employment service, and I am assistant to the manager of the Mount Hope

Furnishing Co., and chairman of the board of Taunton Municipal Light & Power Co.

The CHAIRMAN. And do you appear here against or in favor of the bill?

Mr. WHITE. I appear against the bill.

The CHAIRMAN. Against the bill?

Mr. WHITE. Yes, sir; and I came to my conclusions very reluctantly, for the reason that I was as much interested in the United States Employment Service as it was originated and originally considered as anybody could be. We had a good board in Massachusetts, which was composed of two laboring men and two members representing the employers, and both of the laboring men were capable men, and we got along entirely without any friction whatsoever. But the difficulties seemed to be the crossing of the wires here with Washington.

For instance, we would receive from the director general's office notice to increase this clerk's pay or that clerk's pay, which seemed to assume the functions entirely and the power entirely of the director for the State, and we had an office opened for the long-shoremen without consulting us at all, and the feeling was very bitter toward the State organizations. We have an employment service in the State of Massachusetts composed of three offices, one of which is in Boston and one in Springfield and one in Worcester. We attempted to open one in Fall River, but it was not a success. The others, however, functioned well, and they were run very economically well. I think the appropriation this year for the employment service of the State is something like \$60,000.

The CHAIRMAN. And that is for three offices?

Mr. WHITE. Yes; three State offices. Now, my viewpoint of the matter is this, that during the stress of the war, and the great necessity of sending help from one State to another to meet the war demands, that the employment services are absolutely necessary, but at the end of the war that employment service was not necessary at all. So it seemed to me that each State could take care of its own employment problems, and if any State had any surplus of labor it could be taken care of between the neighboring States, and they could notify the neighboring States and could take care of it in that way. Employment is more or less a local function. Except the municipal offices that are supported privately there are no municipal offices that I recall at this moment.

Mr. CASEY. How does Massachusetts take care of its surplus labor?

Mr. WHITE. Apparently we do not have any surplus labor to take care of.

Mr. CASEY. And how would you take care of it without a Federal agency?

Mr. WHITE. If we had any, probably it would have been taken care of by communication with the neighboring States, but I do not recall any at this time.

Mr. CASEY. You said it would have been taken care of, if it had any, by communications with the adjacent States. How would that work out?

Mr. WHITE. Well, for instance, it seems to me entirely feasible that the State of New York and the State of Pennsylvania and the State of New Jersey and the State of Ohio and the State of Illi-

nois have—if a certain character of labor was needed—they could notify the other States and there would be an interchange of correspondence on that one point. It might be that you would have to have some central head between the States.

Mr. CASEY. Between the States—

Mr. WHITE (interrupting). On this question of allocating labor not needed in one State and putting it into another.

Mr. CASEY. And where would you have this head located?

Mr. WHITE. Well, that is a matter that could be well worked out between the States. That was entirely State control.

The CHAIRMAN. But as a national clearing house—

Mr. WHITE (interrupting). I do not believe it is the function of the Government to control the labor throughout the whole country, and I have come to that conclusion through my own experience.

Mr. CASEY. Then the only reason why you are opposed to a Federal system is because that it would be necessary to have a central head to clear the surplus labor from Massachusetts into other States?

Mr. WHITE. Well, as I understand the Nolan bill, the appropriations are dependent upon the appropriations of the various States from the population basis.

Mr. CASEY. But the appropriation is beside the fundamental question.

Mr. WHITE. That is what I am trying to lead up to. It appears that in order to share in the appropriation the director general may compel the State to adopt certain rules and regulations for the conduct of the business. It seems to me that that is not necessary.

Mr. CASEY. But if we had these clearing houses that you state, would you not have to have some rules and regulations to control them?

Mr. WHITE. Yes; but the State could make those if they wanted to go into that kind of an arrangement. I do not think that that is a function of the Federal Government. I am going to give an illustration of it in my own State. We had a community labor force, and we appointed an examiner and an associate examiner, and the laboring men and the manufacturers worked hand in hand to make it a success, and it cost \$10.80 a man for every placement that that office made. In other words, the unemployed would not go to that office, but they placed themselves through the business agents of the unions and through the manufacturers' associations. The office is located on the Common, the most central point in town, but these men seeking employment would walk by it and go upstairs to the central labor union or to the manufacturers' association. That seems to be typical of Taunton. Go into Boston, and here is what happened in relation to the placement of female help. The last figures show that the State office on Kneeland Street—it was an old building and an unattractive place, and yet it placed some 72 per cent of the entire female placements in Boston, as against 28 per cent by the Federal office on Federal Street, an up-to-date office, well equipped, with a good personnel and everything to commend itself. It is almost inconceivable that these facts should be so, but nevertheless that is what actually happened.

Mr. NOLAN. Where did you get those figures, Mr. White?

Mr. WHITE. From the bureau of statistics of Massachusetts, in the statehouse.

Mr. GOULD. And why is it—what is the reason why a man, seeking work, should go by this employment office on the Common and should go to the labor unions and to the employers' association in order to get employment?

Mr. WHITE. Well, there was a doubt in his mind as to the Federal service getting him a job, and he felt that the other ones could.

Mr. NOLAN. Do you know anything about the figures of the placements before the Federal service entered the field in Massachusetts; that is, by the State?

Mr. WHITE. No; but I could get you those. Do you mean the total placement?

Mr. NOLAN. The total placements by the State office in the State of Massachusetts prior to the Federal Government going in there.

Mr. WHITE. I could not state as to that. I know that the State offices did not use—

Mr. NOLAN (interrupting). Have you seen any of the Federal figures on the State of Massachusetts?

Mr. WHITE. Why, yes; I have, every month. My associate has just given me a comparison of the references and placements by the women's division of the State employment office and the women's division of the United States Employment Service.

The CHAIRMAN. Would you like to have that incorporated in the record?

Mr. WHITE. Yes, sir.

The CHAIRMAN. Without objection, it will be incorporated in the record.

(The comparison above referred to is printed in the record in full, as follows:

Comparison of references and placements by the women's division of the State Public Employment Office, 8 Kneeland Street, Boston, and the women's division of the United States Employment Service, 128 Federal Street, Boston, for the 13-week period, Dec. 30, 1918–Mar. 29, 1919.

	References.		Placements.	
	State office.	Federal office.	State office.	Federal office.
Clerical and professional.....	380	324	144	112
Clothing and textiles.....	376	128	118	42
Domestic and personal.....	269	165	173	59
Hotel and restaurant help.....	1,532	346	821	99
Wholesale and retail trade.....	50	148	25	66
Casual workers.....	916			
All others.....	800	1,062	303	537
Total.....	4,323	2,173	2,403	915

Percentage of placements to references.

	State office.	Federal office.		State office.	Federal office.
Clerical and professional.....	37.9	34.6	Wholesale and retail trade....	50.0	44.6
Clothing and textiles.....	31.4	32.8	Casual workers.....	89.4	
Domestic and personal.....	64.3	35.7	All others.....	37.9	50.6
Hotel and restaurant help.....	53.6	28.6	Total.....	85.6	42.1

Summary of total business as reflected in references and placements.

	Reference.	Place.
State office.....	4,323	2,403
Federal office.....	2,173	915
Total.....	6,496	3,318

From which it appears that the State office made 66.5 per cent of the total references and the Federal office 33.5 per cent, and that the State office made 72.4 per cent of the total placements and the Federal office 27.6 per cent.

Mr. NOLAN. I would like to have you put the figures of the placements of the State employment service prior to the time the Federal Employment Service was established.

Mr. WHITE. I would be very glad to do that. The industry with which I am connected was engaged largely in war work. Some 75 per cent of its output was for the Ordnance Department and another department of the War Department. We were not on the cost-plus basis, but were on a straight contract. We were located some 4 miles out of the city, and we were terribly short of labor in August and September of 1918. At that time, if my recollection is correct, we were paying unskilled labor, we will say, 40 per cent—that may not be just right—but whatever that was, I went to all three of the Federal offices in Boston, or to two of them—the one on the Common was simply an adjunct of one of the others—and I asked them to give me 100 men for our plant, and I offered 10 cents an hour higher than the going wage, and I did not get one. Then I was supposed to be on the inside, because of being on this council, and I was not able to secure one.

Mr. CASEY. Why not?

Mr. WHITE. Well, the service didn't get them.

Mr. MACCRATE. Did you get them yourself?

Mr. WHITE. Yes, sir.

Mr. MACCRATE. How did you get them?

Mr. WHITE. By having our own people inside bring in their friends—the workmen.

Mr. CASEY. Did you do that through the Manufacturer's Association?

Mr. WHITE. No; we were not allowed to do that. For instance, we would take the married men where we could substitute them for the man and by having them bring all the people in there—their cousins and their uncles and so on.

Mr. CASEY. The labor was not available, you mean?

Mr. WHITE. The labor was not available at our home. In Boston, where it was available, we did not get it.

The CHAIRMAN. And did you try to get it through the State employment bureau?

Mr. WHITE. Yes; we tried to get it through the State employment bureau, but they could not do anything for us at that time.

Mr. HERSEY. In the near future do you look to see any surplus labor in the United States?

Mr. WHITE. I do not.

Mr. MACCRATE. Have you any idea of whether there is a daily surplus of labor or a periodical surplus of labor existing in this country? Does it appear daily or at intervals or at periods?

Mr. WHITE. Well, I could give you my own experience. At my own plant we have but a very little daily surplus of labor.

Mr. MACCRATE. Do you use the gate?

Mr. WHITE. No; not to any extent, except on Monday mornings. They are not allowed to be at the gate except on Monday mornings. Periodically we see scarcely anything of surplus of labor. It is only the floater, perhaps, here and there and the fellow who had trouble in his last job. Apparently throughout our section there is plenty to do at the present time, and most anybody can have a job.

**STATEMENT OF GEORGE H. DALE, ASSISTANT TO THE GENERAL
MANAGER OF THE HOOD RUBBER CO.**

The CHAIRMAN. Your name is George H. Dale?

Mr. DALE. George H. Dale.

The CHAIRMAN. And your address?

Mr. DALE. Watertown, Mass.

The CHAIRMAN. And your occupation or profession?

Mr. DALE. I am at the present time assistant to the general manager of the Hood Rubber Co.

The CHAIRMAN. And are you an officer of the National Employment Agency?

Mr. DALE. I am not. It might be of interest to you gentlemen, if you will pardon the personal note, to state what my association in business has been. I have been 17 years with a cordage company, known as the Silver Lake Co.—

The CHAIRMAN. Who do you represent?

Mr. DALE. The associated industries of which the Hood Rubber Co. is a member.

Senator KENYON. And how many men do they employ?

Mr. DALE. Well, about 9,000. At the present time, about 8,200.

Mr. GOULD. What is the organization of the associated industries?

Mr. DALE. The associated industries consists at the present time of 1,400 men of different occupations throughout the State of Massachusetts.

The CHAIRMAN. And have they taken any concerted action in this matter?

Mr. DALE. They have taken action. About the time of the appropriation of \$14,000,000 was asked for, they took action; that is, the executive committee took action opposing that appropriation.

Mr. CASEY. But have they taken any action in opposition to the bill that is before us now?

Mr. DALE. No; they have not, as yet, because there has not been a meeting.

Mr. CASEY. And do you represent their views in opposing this bill, or do you represent their views in the opposition to the appropriation of \$14,000,000?

Mr. DALE. At that time I represented their views in opposing the appropriation of \$14,000,000, but at the present time I represent the views of the association as shown by the last meeting of the executive committee.

Mr. CASEY. And do you think that they are all opposed to it?

Mr. DALE. As far as we have been able to ascertain by correspondence, it is the feeling that it touches—we feel that it is an interference with the rights of the State, and it savors too much of paternalism, and it would never be acceptable to the American people, because the average American workman is not different from all of us sitting around the table here. Anything that is received for nothing we place very little value on; and it is a strange fact, but it is a fact, that worried me at one time a great deal, because I had been into these very offices endeavoring to secure help; but all these years—the 12 years that I have been with the Hood Rubber Co. and the 17 years that I was with the Silver Cord Co.—I received only one man and one woman from those public offices in all that time. In the Hood Rubber Co. we have an employment office of our own, and I have been in a position to study employment methods at home.

The CHAIRMAN. And is it a free office?

Mr. DALE. It is a free office; yes, sir.

Senator KENYON. And do they appreciate it as much as they do the fee-charging offices?

Mr. DALE. Well, we have frequent applications come in there now from the paid agencies—that is, those that are not free agencies.

Senator KENYON. And they do not appreciate it if it is free simply because it is free?

Mr. DALE. They apparently do not put the value on it that you and I would expect they would.

Senator KENYON. Then, why don't you charge them something?

Mr. CARSS. And what percentage of your employees do you secure through your own agency?

Mr. DALE. About 90 per cent at the present time.

Mr. CARSS. And has that been your custom for a number of years?

Mr. DALE. Yes, sir. It has. We have had that employment office in operation for about 10 years.

The CHAIRMAN. And would a free Federal employment bureau come in competition with you at all?

Mr. DALE. Oh, no.

Mr. CARSS. And did you discontinue your private employment bureau when this bureau was begun?

Mr. DALE. No, sir. I have been one of the advisory board with Mr. White, of Massachusetts, acting for our Mr. Glidden, who was appointed, acting as his alternate.

Mr. MACCRATE. You referred to the employment manager, and the employment bureau was in your own plant?

Mr. DALE. Yes, sir.

Mr. MACCRATE. And this other employment bureau, that is not conducted by the Hood Rubber Co.?

Mr. DALE. No. Ours is independent of the State and the Federal offices. It is, to my mind, impossible that any condition would ever arise that would make it advisable for us to draw labor between the States. We had that shown to us during the war. We endeavored in Massachusetts to carry that out. We found that it was practically impossible to do it. There was an old saying that you can lead a horse to water, but you can not make him drink, and I think it applies to this case.

Then there is the difficulty of keeping accurate statistics as to employment, which has been mentioned here several times, and we have in our records in Massachusetts one man that claims to have placed men at a cost of 53 cents. That was so glaring, as compared with the cost of \$37.92, of another office, that I commenced to ask questions, and the State director, Dean Lord, who was an exceptional man on that job, with the very characteristics that would make an ideal man, stated to me frankly that it was impossible to check up accurately those figures. To put it a little further, the cards are given to a man and then it is assumed that he goes out and takes the job. And they have no means of finding out unless they happen to get into touch by telephone, but they assume that if the card is not returned that he has taken the job. They may ask, "Do you know whether Mr. A. went to work this morning?" The answer would be, "I think he did." Then that is put down as a placement. I will leave it to you gentlemen whether that is a placement or not.

The CHAIRMAN. Suppose a card would be received by the Employment Service, signed by the man that got the job and the employer, would that be reliable?

Mr. DALE. That would be reliable, but that was not done. In many other instances, where the employers themselves have simply wanted the men, they have not taken that trouble.

Mr. NOLAN. Where was the office located, where it cost \$37.92 to place a man?

Mr. DALE. It was in Haverhill.

Mr. NOLAN. And did you make that investigation yourself?

Mr. DALE. No, sir.

Mr. NOLAN. And where did you get that information in regard to that?

Mr. DALE. I got it from the statistics that had been furnished to us. I believe I have a copy of that here, if you would like to see it.

Senator KENYON. And do you think that the Director General was padding these records in order to make a showing?

Mr. DALE. I would not say that he did it, but I know that the man in the office did it, because there is a concrete instance.

Senator KENYON. And that has tended to prejudice you against the whole proposition?

Mr. DALE. Against the accuracy of the reports; yes. I approached this employment service with the idea that it was just the thing that we wanted, but I have been greatly disappointed.

Senator KENYON. What has been your turnover of labor?

Mr. DALE. At the present time?

Senator KENYON. Yes.

Mr. DALE. At the present time it is very small. It runs now somewhere around 40, where it has been up over 400, but at the present time, due to the condition that prevails, and work is not so plentiful and due to the general condition of the labor market.

Mr. MACCRATE. What do you mean by "40"? Do you mean 40 per cent?

Mr. DALE. Yes, sir.

Mr. MACCRATE. Is that daily or weekly?

Mr. DALE. That is yearly.

Senator KENYON. And it has been, you say, as high as 400 per cent?

Mr. DALE. That, I may say, was prior to the establishment of our employment office.

The CHAIRMAN. That was 10 years ago?

Mr. DALE. Yes.

Now, I have read the President's message relative to the employment of the returning soldiers, and, in response to that I would like to read the letter that I wrote to one of the Representatives for Massachusetts, and, incidentally, one of the paragraphs in this letter is to the effect that one of the lieutenants stationed on the common was asked if he worked for the United States Employment Service. He said he was not connected with it. When asked which bureau returning soldiers used, he was very clear in conveying the fact that they avoided the Federal service as much as possible.

A statement that you and I are very familiar with, says that figures never lie, but we also know that liars sometimes figure; and it is so plain to me that the heads of the United States Employment Service are so anxious to keep this in operation, presumably to hold their own jobs, and, incidentally, grant some favors to others, that they are trying to add figures in many instances.

Let me quote, in this connection, the sworn statement of C. J. Drennan, employment manager, Sun Shipbuilding Co., Chester, Pa., which is as follows:

I understand that the State bureau of the United States Employment Service sets up the claim that it supplied 171,803 workmen and 19,914 working women to the plants and shipyards in this State to meet the emergency created by America's entrance in the war. The revelation is most astonishing, to say the least. Think of it, an impractical, inexperienced, and poorly organized labor department placing more employees in jobs than there were places to fill in all the eastern Pennsylvania working plants combined. It is absurd, and will not down with the knowing ones.

I will wager—this is my language now—that not 50 per cent of all the applicants at the several United States Employment Service agencies for work ever turned up at the places they were assigned to; and, further, that not more than 25 per cent of those who did land jobs stayed long enough to draw a full salary; and, still further, that not more than 5 per cent of the total are now working at the places where they were originally directed for employment.

The CHAIRMAN. And was that you that thought not more than 5 per cent stayed on the jobs—

Mr. DALE. Twenty-five per cent, I said, stayed on the jobs.

Mr. CAHILL. What is the name of that gentleman that you spoke of?

Mr. DALE. C. J. Brennan.

Mr. CASEY. Do you know him?

Mr. DALE. I do not.

Mr. CASEY. What is his business?

Mr. DALE. He was the employment manager of the Sun Shipbuilding Co.

Mr. CASEY. And do you know what his business was before?

Mr. DALE. I do not.

Mr. CASEY. And you do not know whether he ran an employment agency in New York or Philadelphia, do you?

Mr. DALE. No, sir.

Senator KENYON. And you do not know whether that was the fact—

Mr. DALE. Only his own sworn statement is all that I have. Now, I do not want it assumed that I am opposed to labor unions.

Mr. CASEY. The reason that I asked those questions was that when you quote a gentleman I think that you should be familiar with him, and you ought to know something about him.

Mr. DALE. Yes.

Senator KENYON. Was that his language, about the granting of favors, or yours?

Mr. DALE. About the granting of favors—it was my own.

Senator KENYON. What do you mean by the granting of favors—political favors?

Mr. DALE. I did not say anything about the granting of favors.

Senator KENYON. The language used was that, to hold their jobs and to grant favors, as far as I remember it.

Mr. DALE. Incidentally to grant favors to others, and that they were trying to add the figures in many instances.

Senator KENYON. And what do you mean by granting favors to others—political favors?

Mr. DALE. Perhaps I had better go into that a little further into detail, as to how it worked.

The CHAIRMAN. We have only five minutes left before we must go to the House, and we would like to have you finish as quickly as you can.

Mr. DALE. In many instances we have found that the personnel of the force there was made up of friends and close friends and relatives of some of the officials here in Washington, and in one instance which I had in mind to mention, one man was employed—I will say this—at my suggestion the advisory board adopted a motion and a vote was taken on that motion, whereby we would not approve any increase in salary unless it had been approved by the chiefs of the division and the State director, and this man's salary, in spite of that, was raised from, as I recall it, from \$1,200 to \$1,400, and it was done without any consent on their part.

Senator KENYON. Was he some political leader?

Mr. DALE. Yes, sir.

Senator KENYON. He was the political boss there?

Mr. DALE. Yes, sir.

Senator KENYON. And you think it was used for political purposes, then?

Mr. DALE. That would be my assumption.

Mr. NOLAN. Do you know his name?

Mr. DALE. Yes, sir.

Mr. NOLAN. What was his name?

Mr. DALE. Haley.

Mr. NOLAN. You spoke of relatives of officials in Washington who were favored. Do you know of your own knowledge that there were any relatives who were employed there, and, if so, who ordered them?

Mr. DALE. I should be very glad to furnish the names to the committee.

Mr. CASEY. Let me clear up my mind as to what you mean by being opposed to this bill. Do you mean that you do not want labor to be controlled?

Mr. DALE. Well, as between the States, I do not believe it is possible to do so. I think it was very essential that it should have been done—

Mr. CASEY. My understanding was that you did not oppose the control of labor, but that you had one experience—

Mr. DALE. The experience was this. We had requests from Perth Amboy, after the explosion, which you will recall, for 15,000 men; and that request went out all over the country, and they wanted the men to go there. The men went, to some extent, but we found it impossible to make men go to that plant, although there were plenty available at that time in Massachusetts, because they were contented at their home and had no reason to go. You can not force a man to go, and, on the other hand, there is nothing to stop him from coming back to Massachusetts, so far as the control is concerned. So far as that is concerned, it is impossible. In connection with this Perth Amboy affair I want to be frank and say that it is the only instance that came to my attention whereby the labor unions were brought into disrepute in the matter, and I use that word advisedly. A man came to the office, and he made the statement to them there: "This makes the second time I have been here," and I happened down to the Federal Street office, and they asked me for a card.

Mr. CASEY. Do you mean a labor-union card—

Mr. DALE. Well, just a minute. He says, "I don't know of any card that you need; I am not a union man." The office manager said, "That is what I want." I chased that matter down, in connection with the State director, and he said that he found that some one in charge had used that method to be sure that the man was what he claimed to be before he sent him out.

Mr. NOLAN. Was it a position calling for skilled labor?

Mr. DALE. Yes, sir; it was a position for skilled labor. It was a steam fitter.

Mr. NOLAN. And were the conditions at Perth Amboy such that it was necessary for the men to go to work.

Mr. DALE. No; incidentally they got there, a great many of them, before they needed them at all.

Mr. CASEY. Was that the only incident that came to your notice—

Mr. DALE. That was the only incident that came to my notice. I heard of lots of others, but I do not know them personally.

Mr. NOLAN. Do you know whether, as a matter of fact, in Massachusetts, there was any attempt made to use the office for political purposes?

Mr. DALE. I know of none; no.

Mr. GOULD. What action, if any, was taken in connection with that card incident that you were speaking of?

Mr. DALE. That man was brought up and properly censured at the office; and I have no knowledge of any repetition of it.

Mr. NOLAN. That is not the policy of the office, to insist on a man belonging to a union?

Mr. DALE. So far as I know, no. Mr. Chairman, I shall be very glad to submit, a little later, some further matters which I have here.

Senator KENYON. Are you going to put in the facts about the relatives holding positions?

Mr. DALE. If you want those names I will give you those names.

The CHAIRMAN. I think we had better have them.

Mr. DALE. We are not opposed to labor unions, but rather to their policies. One of the reasons why this department has been criticized as being a union-labor department is because they are prone to take the easiest method to reach the supply, namely, through the labor unions. It is a natural sequence that they should deal collectively rather than with individuals. Officials of labor unions have stated to me personally that they can not understand why anyone should object to the United States Employment Service as being prounion, because, if it was anything at all, it was rather a detriment to the unions themselves, because it upset their own employment-bureau system. Another reason why this department has been criticized along these lines is because a large majority of the examiners in charge are members of labor unions. Again, another criticism is that the men in charge of the offices are inclined to dictate the rates which the employers should pay in many cases. For instance, under date of April 15, 1919, Mr. Gardner H. Carpenter, of Marlboro, Mass., writes:

Yesterday I applied to the United States Government bureau for farm help. When asked how much we paid, I replied whatever a man is worth. A man who holds down the job said that he must have a stated price, whereupon I suggested \$25 or \$30 and board per month. He said he could not accept an application for anything less than \$40 per month and board. In the name of all that is good, what does this mean? Is this strictly a rich man's employment office? If so, they had better take down the sign over the door. I might add that we are hiring good men for less money, who can not get work, and the position taken by this Government official is wrong in principle and fact.

Also one of the members of the Associated Industries of Massachusetts, Mr. Blanchard, of the Blanchard Machine Co., of Cambridge, called the office on the Boston Common, asking for a machinist and stating that he wanted to pay \$3.50 to \$4 a day.

He, in turn, was informed that it was useless to attempt to secure men, because the rates were from \$7 to \$8. He naturally resented this, and was somewhat brusquely treated by the official in charge, so that he has become very much dissatisfied with the methods of the bureau officials.

There are a number of reasons why the placements from free agencies are not satisfactory. Probably one of the worst of these is the fact that it induces the applicants to make frequent changes, due to the fact that it is of no expense directly to them. They are, in common with many others, imbued with the idea that all of these free Government agencies are paid for by large monied interests, forgetful of the fact that the consumer or the workingman himself eventually must pay all of these bills. In other words, they live in the belief that this money does not come out of them, and so they can afford to encourage very liberal expenditures. Speaking of clearances through a central office, one shipment of bricklayers made by Massachusetts for Government hospital work, and who upon their arrival found that no vacancies existed, contractor refusing to put them to work, and it was only upon the exertion of considerable force over the telephone that the assistant Federal director general, Smyth, was enabled to force this contractor to board these men for a few days and eventually the department paid their expenses back home. If the cost of placements as given by the United States Employment

Service is correct, the income-tax returns from the owners of the private fee agencies should show them to be millionaires. I doubt, however, if you will find this to be the case. One of the reasons why the fee agency can not show as low a rate per placement as the free agency is because they do not "follow up" the applicant and continue to try and find a vacancy to place him or her in.

In conclusion, I would call the attention of the committee to the fact that I purposely refrained from any criticism of the management of the department, but I will say this, that in almost 30 years' personal experience I have never seen such poor judgment and miserable executive ability shown in anything that I have been connected with as I have run up against in this department.

(Thereupon, at 11.50 o'clock a. m., an adjournment was taken until 10 o'clock a. m. the following day, July 15, 1919.)

NATIONAL EMPLOYMENT SYSTEM.

TUESDAY, JULY 15, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m., in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senators Kenyon and Walsh; Representatives Smith (chairman), Nolan, Carss, Hersey, Casey, and Gould.

Also present: Albert G. Frost, president of the National Association of Technical, Educational, and Commercial Employment Agencies; Harris G. Calpin, attorney at law, Muskegon, Mich.; Mark M. Jones, East Orange, N. J., director of the personnel of the Thomas A. Edison Industries; H. R. Brady, Newark, N. J., commissioner of the American Erectors' Association.

The committee continued consideration of the Senate bill (S. 1442) to provide for the establishment of a national employment system and to provide for the cooperation of the States in the promotion of such system, and to regulate the expenditure of money that shall be appropriated for such service; and the Senate bill (S. 688) to provide for a national employment system; and House bill (H. R. 4305) to provide for the establishment of a national employment system and for the cooperation of the States in the promotion of such system, to regulate the expenditure of moneys that shall be appropriated for such purposes.

STATEMENT OF ALBERT G. FROST, PRESIDENT OF THE NATIONAL ASSOCIATION OF TECHNICAL, EDUCATIONAL, AND COMMERCIAL EMPLOYMENT AGENCIES, AND PRESIDENT OF THE ENGINEERING AGENCY OF CHICAGO.

The CHAIRMAN. Will you give your name, please?

Mr. FROST. Albert G. Frost.

The CHAIRMAN. And whom do you represent?

Mr. FROST. I am president of the National Association of Technical, Educational, and Employment Agencies, which are high-grade agencies, fee-charging agencies, and I am also president of the Engineering Agency of Chicago.

Senator KENYON. Has Miss Cooke, who was here as a witness, any connection with that association?

Mr. FROST. She is secretary of the Massachusetts association, which is a State association affiliated with the national association, and also a member of the national association.

The CHAIRMAN. Then you operate as a Federal association, a Federal employment association, do you?

Mr. FROST. Well, we have a national association and several State associations, in Illinois and in Nebraska, and so on; and I am president of the national association, representing all of the agencies.

The CHAIRMAN. You represent all of the agencies, all of the employment agencies—

Mr. FROST. As president of the National Association of Technical, Educational, and Commercial Employment Agencies, I represent all of those high-grade agencies.

The CHAIRMAN. Oh, yes; but they are all high grade.

Mr. FROST. What I mean by that is that we do not take any of the so-called labor agencies.

Senator KENYON. Just what is your association?

Mr. FROST. Well, Senator Kenyon, our charter says that we will only take members who handle employees in the technical, educational, and commercial branches, the high-grade branches. If we should have a labor agent within the fold, and we discovered, I think that the members would be very much inclined to put any such out of the association. We are not fighting the battles of the shark labor agencies, if there are any such. We are ready and willing at any time, with our money and with our time, to assist any Federal regulation of the most severe type, and in the elimination of all shark employment agencies or all grafters, or anybody that is a parasite on industry, if you care to call it such, because we are agents of people who want to better themselves and who have no other means of doing it than through us. For instance, we will say that a man in Kokomo, Ind., wants to go to Minneapolis, and he would find it difficult to make the move without us, and will come to us in order to bring himself to that position.

Now, in our agency we do not take anyone who is not a college graduate or who has education which is the equivalent of a college graduate's education.

Now, Mr. Chairman and gentlemen, yesterday I heard you ask the question whether those who testified were against this particular bill or whethere they were for it. I wish to say that we are against this particular bill, not because we are against free employment but because the bill will not provide what the framers evidently intended it should provide.

A centralized employment office—and I have been in it for 19 years. personally—the demand for the people and the supply of people overlap to a very small degree. There are always jobs for which it is hard to find men, and there are always men for whom it is hard to find jobs. That is brought about because men have peculiarities. They want something beyond their capabilities, perhaps, and the employers, on the other hand, are always seeking something for which they are not always willing to pay.

To illustrate, if a company had a force of a thousand men, and had every place filled, every bench in the place filled, and every desk in the office filled, they would still automatically have a thousand positions open if they could better each one of those positions by getting better people for them. That might be so because of smaller wages, or it might be with the same wages and greater competency, and there is a greater number of positions, and there is an

endless demand for men. The demand can never be satisfied, and that little margin that overlaps—that is, the unemployed who must get employment immediately and who take the first jobs that are open—and that is a very small proportion of the total amount of employment work, and if we had that situation right along it would be very nice; it would be nice if we had that to deal with all the time, and it would be profitable. But those people do not normally apply to employment agencies for help. They obtain work in some other way. Their friends know about it, or they see it in the newspapers, and there are thousands of ways for them to get employment and to get the positions for nothing.

THE CHAIRMAN. Does your association charge fees for getting positions?

MR. FROST. Yes, sir.

THE CHAIRMAN. How much of a fee does your association charge?

MR. FROST. I do not know of any member of the association that charges more than 60 per cent of the month's salary, or 5 per cent of the year's salary—you can put it either way.

THE CHAIRMAN. And do you call the laboring men low class em-

MR. FROST. No, sir; and I may say that all of the fees are contingent upon a certain length of engagement. My particular agency, in the 30 per cent class, if a man gets a job of \$100 a month, charges that man for that job \$30.

THE CHAIRMAN. As I understand you, you are dealing only with the high class of employees?

MR. FROST. Yes; the high class of employees; the engineers, with nothing less than a college graduate, or the equivalent.

THE CHAIRMAN. And do you call the laboring men low-class employees?

MR. FROST. I must ask the indulgence of the committee for the use of that term. I did not first coin that term, but I am simply repeating it. I think that the laboring man is as high a class employee as the others, and that is not my term, but it is a distinction that somebody has given to them.

As I was saying, if a man gets a position of \$100 a month and pays us \$30, he must keep that position three months, and if he does not keep it for three months the charge for it is prorated.

MR. GOULD. But suppose that he is discharged during that time?

MR. FROST. The same rule applies. He must get out of that position \$300 in wages for us to earn our fee. Then there are fees that go up to 60 per cent. A man who receives a salary of \$200 a month pays us \$120, but he must get at least \$1,200 in wages from that company before we get the \$120, and I know of no employment agency in our association that does not have that provision.

Senator KENYON. How do you secure yourself in the matter of fees and the payment of the fees, from a married man, for instance?

MR. FROST. Well, in that case, any employment agency operates—an employment agency that is operating legitimately has a ready made to order credit system. A man securing a position through us must be reliable and he must be qualified to pass our inspection, and he must be good enough for the employer to select him, and in that case he is a very good credit risk. So far as the married men are concerned, under the legal exemptions which are around \$15 a week, we do not place anybody anywhere near those figures; and, of course,

that legal exemption of \$15 a week does not concern us at all. We sue perhaps one claim in a thousand, and our credit system is a sort of made to order credit system. The man pays his commission, and he pays it thoroughly contingent upon our ability to get him his position. He does not pay any registration fee in my office—in some offices he does—but I think that the registration fee is somewhat passé, and is going out through natural causes—but, having accepted them as an applicant upon whom we are willing to spend a certain amount of money to get a position, we felt that we may be sure that he is a good risk anyway.

The CHAIRMAN. And when you send an employee to an employer do you have any understanding with that employer in regard to holding out any of the money that the employee earns?

Mr. FROST. No; we collect our money direct from the applicant. Of course, there is this about pay in advance, fees may be paid in advance, subject to a cash discount. In that way, we get our commissions, perhaps, before the man has started to work, but the same rule applies in regard to rebates.

Mr. NOLAN. Have you any agreement that the men have to sign, that any employee has to sign, and which he enters into with you as an agency?

Mr. FROST. Yes, sir.

Mr. NOLAN. And will you file a copy as a part of your testimony?

Mr. FROST. Yes, sir. I have not one here, but I will be glad to furnish one.

Mr. HERSEY. Does the employer to whom you send the laboring man—do you charge that employer any fee? In other words, do you receive any money from the employer when you send a laboring man to him?

Mr. FROST. No; we have not financial dealings with the employer at all.

Mr. HERSEY. If he should come into your office and would want you to send him a man for a certain line of business—

Mr. FROST (interrupting). We charge him nothing whatsoever.

Mr. HERSEY. You charge him nothing whatsoever?

Mr. FROST. No, sir.

Mr. HERSEY. Where do you get your fees?

Mr. FROST. We get our fees from the man who gets the position.

Mr. HERSEY. And you charge the man who gets the employment, you charge him a fee—

Mr. FROST. Yes. Of course, we do not employ the man.

Mr. HERSEY. And how much do you charge that man?

Mr. FROST. Well, it ranges from 30 to 60 per cent of a month's salary, depending upon the length of the engagement and the amount of the money that he gets. A \$300 man, who receives \$300 in the first three months, he gives us \$30, but he has to get \$300 out of his position, or more—of course, we have nothing to do with what he gets after that; and a man who pays us \$120 has to get \$1,200 out of the position or more than that.

The CHAIRMAN. How does this bureau, which is proposed by this bill, interfere or compete with your bureau in any way?

Mr. FROST. It does not interfere with our bureau in any way.

The CHAIRMAN. But you say that you are opposed to the establishment of a free Federal employment bureau?

Mr. FROST. Yes, sir.

The CHAIRMAN. Then, why are you opposed to the establishment of a free Federal employment bureau?

Mr. FROST. Because the experience of the private employment agencies—which is now covered by the average length of life of our members, and it is well over 20 years; in my own case I have been 19 years, and my company has been in existence 26 years—the practical operation of a centralized employment office of the type described in this bill does not solve, in any way, any practical employment problem, and it is not in the interest of the community, and free employment, as a whole, or any interest in the adjustment of labor, to supply an instrumentality of this kind to assist in bringing about a proper regulation and formation of the right kind of a bureau—

Senator KENYON (interrupting). What, in your opinion, is the right kind of a bureau? What is your idea of the right kind of a bureau?

Mr. FROST. I am opposed to a Federal bureau. I do not think that it is a Federal function. I think that it is a purely local matter, and it is not a Federal function at all.

The State bureaus will handle all of the local unemployment conditions, and when you would set those up to act as an agent, for instance, for the packers in Chicago to get colored help from the South and to bring them up North, and to secure agricultural help from the West, it could become a very vicious special privilege for one element or another who might have an immediate control—

Mr. HERSEY (interrupting). When was that done? When did they ever do that? When did the packing interests bring any colored help or colored labor from the South up to Chicago?

Mr. FROST. I am not saying that they did do it, but there is a possibility of it. Do you want to have some direct testimony, or do you want me to give some direct testimony about where it was used for special privileges in Chicago. I can give an instance of an employment manager, who was a member of the employment managers' board, who had gone on record against the Federal employment agency, and he said in answer to my question, as to whether or not he got service from it, that he did. That rather surprised me, and I said to him, "Tell me how you did it?" "Well," he answered, "I know how to do it." I asked him to tell me how. "I know all the fellows down there," he said, "and I got service. I know how to manage it."

Well, I delved into it further, and I found that he had made friends with the various examiners, and he got preferential treatment for his firm.

Mr. NOLAN. And was that with the Federal employment bureau that he got that preferential treatment?

Mr. FROST. Yes, sir.

Mr. NOLAN. And is he an employment manager, did you say?

Mr. FROST. Yes, sir.

Mr. NOLAN. And is he connected with some firm there in Chicago?

Mr. FROST. Yes, sir.

Mr. NOLAN. And what concern is he connected with?

Mr. FROST. He is connected with the Wahl Adding Machine Co. that makes these Ever-ready pencils that you see around here.

Mr. NOLAN. Now, in regard to the condition that you spoke of, that is, the transfer of labor, and in regard to the condition of transfer of labor for the packers, the private agency can give the packers all the labor they want in the same way, can they not?

Mr. FROST. I presume so. I am not questioning the right of the packers to get it wherever they like, but I would question the right of the Federal Government to set themselves up as an agent of the packers.

Mr. NOLAN. And do you think that the fee charging agencies should serve them?

Mr. FROST. Yes, sir.

Mr. NOLAN. And do you think it is right for a fee-charging agency to do what you think that the Federal Government should not do through its employment service?

Mr. FROST. Most decidedly. I think it would be all right for the packers to go out and to secure all the labor that they wanted, but I do not think that it would be a special privilege for the packers to be able to use the United States service and get preferential treatment in that way.

Mr. GOULD. And to take labor from some other industry that needed it?

Mr. FROST. And to take labor from some other industry.

Mr. GOULD. That needed it?

Mr. FROST. That needed it. It is purely a commercial proposition—

Mr. GOULD. And to take labor from some other industry that needed it, and with whom they might be in competition?

Mr. FROST. Yes, sir.

Mr. HERSEY. But you do not know of any instances where the packers ever did that, do you?

Mr. FROST. No; I am not acquainted with the packing industry.

Mr. NOLAN. Would you question the right of the packers, if they wanted to, to come to your agency for a lot of technical men?

Mr. FROST. Well, in that case it would be purely a commercial transaction.

Mr. NOLAN. But it would be all right, as between the private fee-charging agencies and the packers, but it would not be right between the packers and the United States Government agency?

Mr. FROST. No; and I would object to spending my money, to paying taxes and have them spend my money in order to assist the packers in furthering their own business.

Mr. NOLAN. Then, as I understand you, you object to any Federal service at all, any Federal employment service?

Mr. FROST. That is, I object to any free service by the United States Government.

Mr. NOLAN. What if this bill would be amended so as to exempt the technical positions, the teachers, and the commercial positions and the technical positions, what would you say about it then?

Mr. FROST. I would say the very same thing. There is no competition between the United States Employment Service and the high-grade agencies. I might even go further than that and say that it would be helpful, if you like. The more money that the Government spends in educating the people to centralizing the employment business the more business there will be for all of us, for the

fee-charging agencies as well. On the same principle, the more hospitals there are built the more doctors there will be.

The CHAIRMAN. And are you in favor of a State employment agency? Are you in favor of a free State employment agency?

Mr. FROST. Yes, sir; I am, because the State is a local agent and a man being unemployed I consider is a menace to the public; and the State agency is a local proposition altogether.

The CHAIRMAN. Suppose this free Federal employment bureau placed more than 4,000 men in the year 1918, placed them in positions, would you say that they had performed any public function?

Mr. FROST. But that was during the war, Mr. Smith?

The CHAIRMAN. Yes.

Mr. FROST. Well, during the war the Government was the employer, whether it was done through a contract with the Atlantic Loading Co. or whether it was a meat-packing industry, they were given preferential treatment—

The CHAIRMAN. Suppose that since the war they had placed from 200,000 to 300,000 men a month, what would you say about the necessity of it, then? What would you say about the necessity of such a bureau as that?

Mr. FROST. Well, Mr. Smith, I would say that they were giving a lot of people special privileges, a lot of people special privileged treatment at the expense of the rest of us.

The CHAIRMAN. But supposing that they actually did that. I am asking you a hypothetical question; I am not saying that they did that, but I am asking you, supposing that they do that, and placed from two to three hundred thousand a month since the war what would you say then?

Mr. FROST. I would say that it would be a very vicious special privilege.

The CHAIRMAN. Don't you think that the workman has an interest in finding a job if he is out of work—

Mr. FROST. But there are plenty of ways for the workman to find a job if he is out of work.

The CHAIRMAN. And suppose that they coordinated with the free State employment bureaus, would not there be an opportunity for them functioning for a public purpose?

Mr. FROST. Well, I can not see any value of it. I can not see where they could do anything.

The CHAIRMAN. But I am supposing that there was some value; that they actually placed more than 300,000 men a month. Would not there be value then?

Mr. FROST. No, sir.

Mr. NOLAN. Did you hear the representative of the Atlantic Loading Co. testify here, Mr. Le Prohon?

Mr. FROST. No; I did not hear it. I was only here yesterday.

Senator KENYON. Then you think that it is none of the Nation's business if a man does not have a job; that it is not any concern of the Nation whatsoever?

Mr. FROST. Well, if he has not got a job and he needs a job I consider that the Nation is made up of States; that it is the Nation's business and it is the business of the country, and are not all of the States part of the country? I think it is the business of the States. I

do certainly think that it would be an advantage to alleviate unemployment and to circulate employment information that will keep a man off the street, and I think that that is a grand and good thing, but I do think that it would be vicious to use that condition in the interest of any special group.

Senator KENYON. But, in the interest of the man himself, do you think it would be preferential treatment getting a man a job for the benefit of the man himself?

Mr. FROST. Well, I think that if you consolidated these into one office and put it into the hands of one man you make it possible to make general, broad sweeps from one end of the country to the other in the interest of the party that the man represents.

Senator KENYON. But is not the man benefited by getting a job?

Mr. FROST. But he can get a job—

Senator KENYON (interrupting). If there are plenty of jobs for everybody—

Mr. FROST (interrupting). That is the point.

Senator KENYON. But if you can bring the man to the job—

Mr. FROST (interrupting). That is the point—

Senator KENYON. Why should they pay your agencies if a man can get into touch with a job so easily; why should they pay your agencies for bringing them to the job?

Mr. FROST. Well, I will say that the United States Employment Service can never and will never be able to handle the positions that are handled by the fee-charging agencies. That is entirely out of the question.

Senator KENYON. But it would appear that they have handled it.

Mr. FROST. I beg your pardon.

Mr. NOLAN. The statistics show that they have handled it, do they not?

Mr. FROST. Yes, sir.

Mr. NOLAN. Do you say, then, that those statistics are wrong?

Mr. FROST. Yes, sir.

Mr. NOLAN. Are they wrong, all of them wrong, in toto?

Mr. FROST. Well, when you are dealing in millions there are always exceptions to prove the rule. I do not say, mind you, that there is not a draftsman who could not well go to the free employment bureau when he is out of work, but that type of a draftsman that would go to a free employment bureau when he was out of work would not be after a position that they could supply, but he would come to us.

Mr. NOLAN. And this bill does not hurt you a particle, do you say?

Mr. FROST. No, sir; not a particle.

Senator KENYON. And you are here for whom?

Mr. FROST. Well, I am here for myself. I am here in the interests of the committee, if you like, if I can presume as much.

Mr. CASEY. I understood you to say that, as a taxpayer, you objected to paying out your money, to having your money used for the purpose of helping the packers in getting employees.

Mr. FROST. Well, I want to get away from the packers. I only used that as an illustration.

Mr. CASEY. But you used it as an illustration, did you not?

Mr. FROST. Yes, sir.

Mr. CASEY. Now, would you kindly tell the committee, if you are against using your money to find employees for the packers, how

you justify the use of the hard-earned money, the hard-earned cash of men and women who come to your office for positions with the packers?

Mr. FROST. Well, because they get their money back many times over, the kind of people that come to us.

Mr. CASEY. In what way do they get their money back many times over?

Mr. FROST. Well, in the way of increased compensation. They come, in the first place, to us because of the saving of time and the saving of money and expense in getting a job that they are after.

Mr. CASEY. But there is no difference in that proposition at all. If the Federal Government or the State government can place a man or a woman in a job, and he gets that job without cost, there is not any difference in the principle at all than if he came to your place where you charge a fee. There is no difference in the principle at all.

Mr. FROST. Yes; there is, a decided difference.

Mr. CASEY. What is the difference in the principle? The man has a job and the employer has an employee, hasn't he?

Mr. FROST. There is just this difference, the man has employment in one instance, and the employee is walking the streets in the other, and he goes into the Federal office to get a position. He is not a legitimate candidate for the fee-charging office; such a man would not be. Suppose that he wants a water chemist, for example, and this man goes to the Federal free employment agency, and there is no position for a water chemist, we will say, with the packers or otherwise. Now, if the United States Government were to take this money that is appropriated, this \$4,000,000, and say to this water chemist who wants a position—he may want a position, perhaps, in excess of his ability, or a salary in excess of the normal rate—is the United States Government going to say to him, "We are going to advertise and we are going to spend our time, and we are going to spend our money in trying to get you that position and put it through"; or, will the office wait for a place to come in, and in that case the man does not get any service?

Mr. CASEY. But how do you know that they have not an application on file for such a man?

Mr. FROST. Well, you are a very acute questioner. I do not know.

The CHAIRMAN. Let me ask you one more question.

Now, you spoke of that particular relation of employer that you called vicious that the Federal free employment agency favored. Could not that same vicious employer go to a free State employment bureau, which you say you are so much in favor of, and get the favors that you state that he would of the Federal free employment bureau?

Mr. FROST. Well, to that extent I object to the State bureau by the same rule and to that extent. I am very glad that you asked that question.

Senator WALSH. His position was, as I understand it, that the Federal agency might be used to get labor as a preference to that packing industry, and could not the State agencies be used in a similar manner, and would not there be similar injustices?

Mr. FROST. As to the State agency, to that extent it would be just as vicious as the national.

Mr. NOLAN. As I understand it, you are opposed to the Government going into the employment-agency business and securing positions for the unemployed free of charge.

Mr. FROST. Yes, sir; the Federal Government here at Washington.

Mr. NOLAN. And you are opposed also to the State doing that same thing.

Mr. FROST. To the extent that would bear on the question that was just put I most decidedly would be.

Mr. CASEY. Explain to the committee why this viciousness could not be a part of the private agencies, could not occur with the private agencies, this viciousness that you refer to as possible under this bill.

Mr. FROST. Well, because the money that is spent in that case is not public money, but it is private money.

Mr. CASEY. And does that prevent the vicious employer from making friends with the man in charge—

Mr. FROST. But he is not using public money. He is using his own private money, and it is his own private enterprise.

Mr. CASEY. But that does not change the human nature—

Mr. FROST. But that has nothing to do with it.

Mr. CASEY. An examiner is an examiner, and if a vicious employer can reach him in the State service or in the Government service, he can reach him in a private agency.

Mr. FROST. But the money that is used for the purpose of finding the people the jobs in a public office, whether it is State or Federal, is public money, and it is used for the specific purpose of furthering the interests of some individual who may be particularly active in getting an examiner to use that money in his interest. But when we come to a private enterprise, which is a commercial enterprise, that money is the personal money of the party getting the privilege, whatever it may be. The viciousness is not in anything except getting the man to use the public money.

Mr. CASEY. But suppose that the private agency gives a certain man a certain privilege, and the vicious employer reaches him on the side—

Mr. FROST. Do you mean that the employer would pay a private agency for something, then?

Mr. CASEY. Well, Mr. Frost, I am using your own language of this employer making friends with the Federal agent, either through friendship or taking him on an automobile ride or giving him money.

Mr. FROST. Do you mean to say that we have preferential clients in our agency?

Mr. CASEY. Well, a few moments ago you said to the chairman that he was an acute questioner. I think that you are acute in your replies.

Mr. FROST. But I want to answer that.

The CHAIRMAN. We will have to get along, gentlemen, and unless you have some other material that you would like to present to the committee further—

Senator KENYON. How long will it take you to complete? Do you think that you can complete in five minutes what you care to say.

Mr. FROST. Yes, sir. Now, I have answered the question.

Now, we will come to the question of turnovers. How can you decrease turnover by increasing the number of the employment offices, the number of the free employment offices? How can you decrease

turnover by giving a man a job for nothing? A man may get a job for nothing, and this does not eliminate anything, but adds so many more offices, and, of course, it must increase the turnover.

Now, in the matter of the selection of the men. Who is going to give that service? We will say that a dozen men line up this morning, and that there is only one job. Who is going to be sent to that one job—the 1 or the 12? They are all citizens; they are all taxpayers; they are all entitled to the same level of service. How are you going to regulate that? Say that one of them is sent to an employer and is discharged, would you send one additional out of the other 11?

Then, too, the Federal service is dependent entirely upon the cooperation of the employer. If the employer will not come to you, you can not get jobs for the men; and if you are going to select the men according to the standards of the director general or some one else sent there, then you must discriminate against the blue and the black and the white and the yellow, and you must discriminate in other ways, and then the employer understands that you discriminate. That is the real reason why the employers won't want to come to the free employment service.

The University of Chicago, which is a very high-grade institution, of course, maintains a free employment office, but the standard at that institution is different from that in the smaller school. If an employer comes in and wants an employee, and they say to him, "You do not expect to get a university or college graduate for the salary that you expect to pay for a small school, do you?" The consequence is that they fall down on that position. The immediately available type of men overlap, and it does not serve those that want jobs or positions.

Now, as to the question of statistics, and I am going to close. We have heard here lots of times, time and time and time again, that this bureau was needed for the purpose of obtaining labor statistics and determining where the surplus and the demands were, but there is no attempt, as I see it, to get statistics from all sources, from the union offices, from the employment agencies, the fraternal offices, the brotherhood associations, private associations, and so on, and the statistics are not available from the employment that is brought about by the employment offices of the manufacturers. If those statistics could be covered, I should like to see it; but there is not any of that sort. In the State of Illinois we have been backing a bill to amend the present law. It is the desire of the Labor Department to draw in all of the different kinds of employment and endeavor. If Mr. Bryan gets a job on some lecture platform or through some lyceum bureau, he is getting a job through an employment agency, just the same as the bookkeeper or draftsman or a farm laborer gets his job through the private agency. How is this \$4,000,000 appropriated by this bill going to benefit the man who wants a job? Where is it going to assist him in any way. I swear that I can not see it.

The CHAIRMAN. If you desire to supplement your statement in any way, will you kindly file a brief? And also will you file those agreements? I am much obliged to you.

The CHAIRMAN. Now we will hear from Mr. Harris E. Galpin.

STATEMENT OF HARRIS E. GALPIN, MUSKEGON, MICH., ATTORNEY AT LAW.

The CHAIRMAN. What is your name, please?

Mr. GALPIN. Harris E. Galpin.

The CHAIRMAN. What is your occupation?

Mr. GALPIN. I am an attorney at law, and I live at Muskegon, Mich.; and I am counsel for the Muskegon Employers' Association; and I speak for the employers of Muskegon and of Muskegon Heights and the employers of Battle Creek and of Lansing, and the Michigan Manufacturers' Association.

Senator KENYON. And have they all taken action with reference to this bill?

Mr. GALPIN. The Michigan Manufacturers' Association has taken action in reference to this bill. They took a referendum vote, asking whether or not they were in favor of the bill, without any argument, and it was sent only to those manufacturers who had had actual experience with the service, asking them to express themselves—

Mr. CASEY. And how many of those questionnaires were sent out?

Mr. GALPIN. I think that some 800 were sent out.

The CHAIRMAN. And did not less than 300 reply?

Mr. GALPIN. Less than 300 replied.

The CHAIRMAN. And the rest of them did not reply?

Mr. GALPIN. The rest of them, I presume, had no experience with the service, and only those that had had experience with the service were asked to reply.

The CHAIRMAN. And how do you know that those 700 that did not reply—I understand that there were a thousand sent out—and how do you know that those 700 that did not reply are opposed to this bill or are in favor of it?

Mr. GALPIN. Well, I will say that I have not met any, with only one or two exceptions, that are in favor of the bill.

The CHAIRMAN. And the report did not say whether the applicants that did not answer were in favor of the bill or not—

Mr. GALPIN' (interrupting). Or did not.

The CHAIRMAN. Let me ask you this question: Did they send any of these questionnaires to laboring men?

Mr. GALPIN. No; they sent them only to manufacturers, to employers.

The CHAIRMAN. Only to manufacturers?

Mr. GALPIN. Yes; I am speaking for the employers.

The CHAIRMAN. The manufacturers?

Mr. GALPIN. Yes.

The CHAIRMAN. And they are the men that employ the labor?

Mr. GALPIN. Yes.

The CHAIRMAN. And you are speaking for the manufacturers?

Mr. GALPIN. Yes.

Mr. CARSS. Those inside of the association?

Mr. GALPIN. I might say that some 300 who did reply, that of them only 2 or 3, or a very small number, were in favor of continuing the service, and that the remainder were all opposed to it, and a great many letters were written setting forth the reasons for the opposition.

Senator KENYON. Just state what they did vote on, please.

Mr. GALPIN. The question was in about this form: Do you favor a continuance of the United States Employment Service?

Mr. CARSS. And have you a copy of that questionnaire here?

Mr. GALPIN. I have not, but I can supply the vote. I think that the position in Michigan is based upon about the same state of facts as the position in Muskegon. At the time that the Employment Service started to operate nearly all of the manufacturers in Muskegon were engaged in 100 per cent war work. There were 18 manufacturers in the machine business or the machine-tool business, and all of their products were devoted directly to war work. There was a feeling, of course, that the United States Employment Service might be of some benefit in the matter of the labor shortage, and they started to conscientiously cooperate with the service. A representative of the department came to Muskegon and called a meeting—

The CHAIRMAN. Who was that gentleman?

Mr. GALPIN. I can not call his name, but he called a meeting of the manufacturers and said that he was to start the Employment Service in operation there. He secured one of the manufacturers to act as a member of the advisory board, and he went into one place there, and after talking to some 20 or 30 applicants, in order to obtain an examiner, he engaged a man who was receiving \$3,500 a year, and he accepted the position at a much less wage. Then a new State director was appointed about two weeks thereafter, Mr. Cunningham, and he came to Muskegon, and, without any notice to the employers or consulting anyone, he changed the entire offices, without even notifying the members of the board then in control that they were out of it.

Mr. CARSS. What changes did he make there?

Mr. GALPIN. In the community board and in the personnel of the examiner. He did that without notice to the employers or consulting one of the labor element—

Mr. CASEY. What do you mean by the "labor element"?

Mr. GALPIN. Why, the trades and labor council at Muskegon who were talked with—that is what I mean. All of these factories, I may say, were open-shop factories, and there had been no labor disturbance of any serious nature in Muskegon for a number of years, and the living conditions and the working conditions there were very favorable to the workmen, I would say, because Muskegon is in direct opposition with the labor market in Detroit and at Flint, and it had to meet the wage situation in Detroit, and there are about eight or nine thousand workers in Muskegon.

The manufacturers at that time were willing and anxious to cooperate with the United States Employment Service. I may say that, of course, was customary in all manufacturing towns where there is a great deal of work done for the Shipping Board; there was a great deal of patriotic enthusiasm aroused among the workmen, and the Shipping Board sent out speakers, and they used to make our factories every week or for two or three days, and then they would hold noonday meetings in the plant and encourage the men for production; and then circulars and posters were sent out on August 1, in Muskegon, to the effect that the United States Department of Labor wished to hold a patriotic mass meeting of machinists and manufacturers. We did not know anything about it, but we

thought that it was another effort on the part of the Government to stir up interest.

That meeting was attended by about 100 people,, and, to the surprise of the manufacturers, this meeting was addressed by two men, Mr. E. L. Norris and Mr. N. J. Lannon, and they stated that they were the senior examiners in the employ of the United States Employment Service, and the president of the local machinists' union, under whose auspices the meeting was held, introduced them, and they said they came to Muskegon to organize the machinists of the city into an international association of machinists, and that they knew there were very few union men. They said that they were going to organize the machinists of Muskegon and the rest of the State, and it was their intention to place union men in nonunion shops and nonunion men in other shops until all of the men got into the union. They stated that the Linderman Steel & Machine Co., which had been making naval ordnance——

Mr. CASEY (interrupting). What are you reading from there?

Mr. GALPIN. I am referring to some reports that I have here.

Mr. CARSS. Have you a copy of the speeches made there?

Mr. GALPIN. Yes; I have it here in the record. I will substantiate everything I say here. The Linderman Steel & Machine Co., as I say, had been working on naval ordnance, and it was one of the largest producers of gun mounts for the Navy Department and for the merchant marine, and it had a small labor trouble. Only a small percentage of the men walked out; some 18 of the 1,100 employees were out on a strike, and they needed men quite badly; and at this meeting Mr. Lannon and Mr. Norris stated that the Linderman Steel & Machine Co. had been endeavoring to secure men through the United States Employment Service in Grand Rapids, but they had put a stop to it, and that they could not secure any more men because the United States Employment Service would not recognize the plant, and they would see to it that no laborers or machinists would go to the Linderman Steel & Machine Co. plant. They said that they were there for the purpose of forming a union, and that the Government wanted the machinists to form a union, and that if any man was discharged the union would see that he got his job back; if he was discharged because he was a member of the union he would be sure to get his job back, because of the fact that the war labor board would function with the United States Employment Service.

My attention was called to it at that time, and I made an investigation, and I talked with the man that attended the meeting, and I found out what I have stated here.

Mr. HERSEY. And have you sworn statements to that effect?

Mr. GALPIN. Yes, sir.

Mr. HERSEY. Have you affidavits?

Mr. GALPIN. Yes, sir. In about two weeks I went down to Detroit and I spoke to the director general of the United States Employment Service for the State upon the proposition, and I had some talk with him——

Mr. GOULD. What was his name?

Mr. GALPIN. James B. Cunningham, former labor commissioner of the State of Michigan; but I did not get any satisfaction.

Mr. HERSEY. Is Mr. Cunningham a union man?

Mr. GALPIN. He is; and I was told there that that was practically the only instance that that had happened, and I was ready to believe that. I returned to Muskegon, and the day after I returned to Muskegon, which was August 15, I ascertained from my clients that other circulars were out announcing another meeting. That meeting was—

Mr. HERSEY (interrupting). Where was that meeting held?

Mr. GALPIN. That meeting was held in the Woodmen Hall, Muskegon, on August 15, and the meeting was advertised and announced as a meeting under the auspices of the United States Department of Labor in connection with the United States Department of Labor. Mr. William H. Smoot was advertised as the speaker—

Mr. HERSEY. Was that notice signed by anybody?

Mr. GALPIN. I have a copy of the notice.

Mr. HERSEY. Was it signed by anybody?

Mr. GALPIN. It was not. It was a printed notice. Mr. William H. Smoot was advertised as the speaker, but he did not appear, so that the speaker was Riley Briggs, who was also a senior examiner and had formerly been business agent of that union.

Mr. HERSEY. Was he a union man?

Mr. GALPIN. Yes, sir. I might say that Mr. Lannon and Mr. Norris stated at that time that there were 24 examiners of the United States Department Service working in the State of Michigan, and they were all union men, and the only way that the workmen were going to get anywhere with the United States Employment Service was to stick by the unions.

The CHAIRMAN. Who is director there now?

Mr. GALPIN. Mr. Cunningham.

The CHAIRMAN. Is he now?

Mr. GALPIN. Yes.

The CHAIRMAN. I thought that Mr. Fletcher's name—I think his name appears in the World Almanac.

Mr. GALPIN. He may be now. Mr. Fletcher is the labor commissioner of the State.

The CHAIRMAN. Has not he been appointed—

Mr. GALPIN. He may be at the present time. I would not want to say, Mr. Smith. It is entirely possible that he may have been the director since the employment service went out of business.

The CHAIRMAN. Mr. Cunningham was in at the time you were speaking of?

Mr. GALPIN. Mr. Cunningham was in at the time I was speaking of. Mr. Briggs's speech was as follows. He was first introduced by the chairman of the meeting, and he stated—

The CHAIRMAN. How long is that that you are referring to?

Mr. GALPIN. I am only going to quote from it.

Mr. HERSEY. Where did you get the speech from?

Mr. GALPIN. From affidavits.

Mr. HERSEY. From an affidavit.

Mr. GALPIN. Yes, sir.

Mr. HERSEY. And did you get that from an affidavit of some one who was there?

Mr. GALPIN. Yes, sir; and I verified it—

Mr. GOULD. Were there any stenographic notes made of that meeting?

Mr. GALPIN. No; but I verified it by going around to the shops personally and talking with some of the employees present at the meeting.

Senator KENYON. Who was the man who addressed the meeting?

Mr. GALPIN. Riley Briggs, the senior examiner.

Senator KENYON. And who is he?

Mr. GALPIN. Riley Briggs, the senior examiner of the United States Employment Service. The man who introduced him said:

The speaker to-night was to be Mr. Smoot, of the Federal Department of Labor, but he was not able to come, so he delegated one of his subordinates to be present. This man is Riley Briggs, former business agent of this union, but now one of the agents of the Government.

Briggs then arose to speak. He first outlined the work of the Taft-Walsh Labor Board, and stated the objects of this board. He said he was a Government employee, and said the Government recognized the right to organize. He read the decision of the War Labor Board in regard to the Bethlehem Steel Co., and also read an article from the Chicago Tribune with reference to unions organizing. He also read the basic law relating to labor as defined by laws laid down by the Federal Labor Board and laid emphasis on the employee and employer's right to organize. He said:

Here are the laws and the decisions. There is nothing to prevent you men from organizing and joining the union. If you do and ask for an eight-hour day or more pay, no doubt it will be granted to you, as there are several rulings of the Labor Board on that. If men working in a plant go out on a strike, the employer will stand a "fine chance" of getting any help, as the order for help will have to go through the United States Employment Bureau.

He also said:

We are out to get men for firms on Government work all over the State. In Muskegon you are getting 65 cents an hour for toolmakers, but in Detroit you would get 90 cents at Dodge Bros. Men are also wanted at Jackson for the Jackson Munition Corporation at 90 cents per hour. There are a lot of good jobs around. Look these lists over after the meeting if you are not on essential work.

All United States Employment Service examiners are instructed to cover all union meetings and give advice and work with the unions, even if they have to go out of their way to attend these union meetings.

Pitchfork Henderson was to be here to-night, but he is probably detained in Madison, Wis. He will probably be here next Thursday night at the regular meeting, however, and a lot of new members of the union will be initiated. The law says you can organize, and there is nothing for you to be afraid of. They can no longer fire you for it. There are now 250,000 members of the machinists' union, which is a big increase in the members to date.

Mr. GOULD. And was there a labor shortage in Muskegon at that time?

Mr. GALPIN. There was a labor shortage in Muskegon at that time, and there had been for two years preceding that time, and there is at the present time.

Mr. CASEY. Now, Mr. Galpin. This alleged speech of Mr. Briggs's is quoted to this committee from statements you secured from workmen in the factories, who said that they were at the meeting and said they heard him make these speeches, these statements——

Mr. GALPIN. Yes——no——

Mr. CASEY. Did you submit this speech of Mr. Briggs—did you submit it to Mr. Briggs and ask him if it was the correct speech, a correct statement?

Mr. GALPIN. I will come to that if you will let me finish it.

Mr. CASEY. I am trying to follow you.

Mr. GALPIN. I went to Detroit again and talked with Mr. John A. Russell, who was—

Senator WALSH. Was he connected with the street railway company?

Mr. GALPIN. Yes; but he was at the head of the reserve forces—I forget what it was called; that function with the employment service—and I spoke to him about it, and I did not get anywhere.

Mr. CASEY. Was he a union man?

Mr. GALPIN. He was not. He referred me to Mr. Cunningham.

Senator WALSH. And who was Mr. Cunningham? Who was he?

Mr. GALPIN. He was director—

Senator WALSH. Who was this gentleman that you spoke to?

Mr. GALPIN. He was associated director and member of the State advisory board, the State board of the Employment Service of Michigan. He referred me to Mr. Cunningham. I did not believe that I could get anywhere with Mr. Cunningham, although the facts were presented to him, and I thought that I would wait for other developments. Before September 5 there were circulated some other circulars in Muskegon. This is the circular:

Mass meeting for machine-shop workers. Thursday evening, December 5, 1918, at 8 o'clock. At New Woodmen Hall, Terrace Street and Western Avenue. All workers are given the right to organize, without fear of discrimination. Your employer is organized. Why not you?

Mr. William H. Smoot, of the United States Employment Service, will speak at this meeting and show what machinists are doing to help with the war.

Organizer Fred Griffith, of the International Association of Machinists, will show the need of organization in Muskegon.

All machine-shop workers should attend. Lady machine-shop workers should also attend.

Mr. CASEY. Who is that signed by?

Mr. GALPIN. That is the entire circular.

Mr. CASEY. Is it signed by any one?

Mr. GALPIN. It is not signed by any one, and Mr. Smoot was the examiner. This meeting was held, and the first speaker announced was Mr. Fred Griffith, organizer of the International Association of Machinists. Anything that Mr. Griffith had to say he had the right to say, because he was not working for the Government, but he was the organizer for the machinists' union. Mr. Albert Sauther, a special representative of the United States Employment Service, was the next speaker. He said that he was in Muskegon to represent the Government and would see to it that union men would not lose their jobs.

Mr. HERSEY. And was this from the same source—did you get this from the same source that you got the other?

Mr. GALPIN. Yes, sir; and we secured operators to be at this meeting.

Mr. HERSEY. You secured men, and secured your testimony from the men who were there?

Mr. GALPIN. Yes, sir; we had two operators there, two men from Chicago, from a Chicago agency, at this meeting, who took notes. I substantiated this by talking with the men in the shops in the same way as before.

Mr. HERSEY. Did you have any stenographers there?

Mr. GALPIN. No; we did not have stenographers there.

Senator WALSH. Now, take a statement like that, that "union men will not lose their jobs." Now, that may have been in reply to questions asked of the speaker.

Mr. GALPIN. Yes; that might have been, but that was not the case. I asked in regard to that.

Senator WALSH. The circumstances under which the remark was made is highly important, just as important as the remark itself.

Mr. GALPIN. Yes; I realize it. He asked that every man in the future, when laid off or discharged, to come to him at once and he would make a thorough investigation to ascertain why the man was let out. He said he could get jobs out of Muskegon for the men there and that they would be paid from 72 to 90 cents an hour.

The next speaker was William H. Smoot, who said he was a senior examiner of the United States Employment Office. He was profane in his remarks. He denounced "the — manufacturers of Muskegon" and criticised the way they were using their men. He said as follows: "The working men of this — town are not civilized. All that they can think of is to work as many hours as they can, and as many hours as the bosses want them to, and also to work for straight time after eight hours."

Mr. CASEY. Was that true?

Mr. GALPIN. That was not true; no.

Mr. CARSS. Did they work straight time after eight hours?

Mr. GALPIN. They worked—they worked the prevailing hours. They have always worked—it has always been nine hours there.

Mr. CARSS. Did they get paid overtime?

Mr. GALPIN. No.

Mr. CARSS. Then his statement is true as to that?

Mr. GALPIN. That is true. He said:

"The ditch diggers get more money than the toolmakers of this — town. Machinists in other cities do not have to sneak through the alleys and back streets to go to work because they can go to work in white shirts and collars. In this — city, however, the men have to go down the back alleys because their clothes are in rags and they are not fit to be seen. They are all dirty slackers to the union and if they wanted to improve their conditions they would join the union at once.

I do not give a — for a man that does not belong to the union. If there are any men here—

Mr. HERSEY. Those are the remarks of Mr. Smoot?

Mr. GALPIN. Those are the remarks of Mr. Smoot; yes, sir.

Mr. HERSEY. Who swears to that?

Mr. GALPIN. I will come to that.

Mr. HERSEY. You have that?

Mr. GALPIN. Yes. [Continuing reading:]

If there are any men here that do not belong, they should join to-night. Then they can soon get 80 or 90 cents an hour. If they are not drawing that it shows they are goats for the manufacturers of this town and they are all slackers and have a big yellow streak in them.

Bear in mind, gentlemen, that we have not had any labor trouble in Muskegon—

Mr. CARSS. You had open shops in Muskegon?

Mr. GALPIN. Yes; we had open shops in Muskegon.

Mr. CARSS. And you were not paying overtime?

Mr. GALPIN. We were not paying overtime.

Mr. CARSS. You had had no trouble?

Mr. GALPIN. We had had no trouble, and it was mostly a piece-work system, and we were competing with the manufacturers of Detroit and Flint.

Mr. CASEY. And that was after the decision of the War Labor Board in regard to time and a half for overtime that you were not paying for overtime?

Mr. GALPIN. But there was no decision of the War Labor Board affecting Muskegon?

Mr. CASEY. But the War Labor Board set down certain principles which had to be followed—

Mr. GALPIN (interrupting). Well, one of the principles was that where the eight-hour day had been the custom or where it was required by law that they would enforce it. They never set down the principle that we had to change the hours of labor in communities where, according to universal custom, or to custom in that community, a different set of hours existed.

Senator WALSH. And do I understand at that time that there was a shortage of labor in Muskegon?

Mr. GALPIN. Yes, sir; at that time there was a shortage of labor in Muskegon.

Senator WALSH. And that the manufacturers were asking and were trying to get the Federal authority to help them in securing employees?

Mr. GALPIN. Yes, sir.

Senator WALSH. And isn't it a fact that it was stated to you that one of the reasons that they could not get labor was that because the shops were not unionized—

Mr. GALPIN (interrupting). That is not true. These men absolutely ignored the manufacturers, and they never consulted with them.

Mr. NOLAN. And you said there was no labor trouble in Muskegon?

Mr. GALPIN. No; but I mentioned the Linderman strike, where 18 out of several hundred went out.

Mr. NOLAN. Has there not been any trouble in Muskegon in the last two and a half years where the business agents of the union have been run out of your town?

Mr. GALPIN. No.

Mr. NOLAN. Are you sure about that?

Mr. GALPIN. Yes.

Mr. NOLAN. Did not the molders' business agent for that section—was not he run out of Muskegon?

Mr. GALPIN. He was not.

The CHAIRMAN. Well, we have got two or three others here that are in the same position that you are, who are out of town, and we would like to hurry along—

Mr. GALPIN. I will hurry along here. Mr. Smoot also said that in a few days he would visit every shop in town and have the eight-hour day in full swing in Muskegon. [Reading:]

That will show you what remarkable work the union is doing, and we can all uphold the union. It makes no difference what work you are doing, you can join the union.

The meeting of September 19 was not advertised by circular, but was an open meeting. Albert T. Seather, an inspector of the United

States Employment Service, was present and made the speech of the evening. He said:

The Government wants all the workingmen to organize and join the union. Then there will no longer be the need of Government employment agents or the United States Employment Service, as each local machinist lodge will be able to supply the Government with all the men they need. The workingmen of Muskegon have a soft spot in their heads and when they sit down their brains all go down in their seats, and they don't know enough to get up again unless the bosses come around and use a club on them. It is now time for the workers of Muskegon to get into the union. If you don't get them in, I will start enrolling them the next time I come back here.

The CHAIRMAN. And has this association of manufacturers of Michigan taken any steps to investigate this in any way?

Mr. GALPIN. Yes, sir.

The CHAIRMAN. What did they do?

Mr. GALPIN. Well, after this meeting of September 19, at which Mr. Seather was present, I went around the State and I ascertained that Mr. Briggs had been at Lansing and had been at Battle Creek, and that he had started the same propaganda there.

The CHAIRMAN. And did you make any complaints of his work there?

Mr. GALPIN. Yes, sir. I went to Detroit and I talked with Mr. Chester and Mr. Culver, the general manager of the Employers' Association of Detroit. I ascertained that Mr. Smoot had been addressing meetings in Detroit along the same lines as his addresses at Muskegon. Mr. Culver said to me that he would come down to Washington, and he brought reports of the meetings to Mr. Densmore and other officials of the department, and they had been there some months previous to the time, and he said that these men would not bother them in Detroit any more, but would move them out into other portions of the State. I thought that that was the proper thing to do—

Mr. NOLAN. And the head of the National Employment Service didn't approve of those methods, did he?

Mr. GALPIN. No, sir.

Mr. NOLAN. And he moved them away?

Mr. GALPIN. Yes, sir; he moved them away from Detroit. I believed that any Government department, of course, upon complaint setting forth the exact dates, the times and the places, and especially the Department of Labor, which is functioning the service, would take a record of this kind, if it was presented to them, and that they would make an investigation. So I prepared this complaint in writing, which sets forth these meetings, and which gives the time and place of the meeting, and supported by affidavits, and I asked for an investigation, not asking that this be taken as true—

Mr. NOLAN. Who did you ask for an investigation?

Mr. GALPIN. This was filed in the middle of September with the Hon. William B. Wilson, Secretary of Labor, and a copy of it was filed with J. B. Densmore, the director general.

Mr. NOLAN. A copy of what you have there?

Mr. GALPIN. Yes, sir; and a copy was filed with Mr. I. W. Litchfield, chief of the skilled labor section, and there was also a copy filed with the director at Detroit, and copies were sent to the Secretary of War and the Secretary of the Navy, because of the fact that we were engaged in Government work. No response whatever came

to these letters or to this complaint, and I sent three follow-up letters. The matter was called to Mr. Densmore's attention personally at Washington that such a complaint was on file, and he was asked for some investigation, if some investigation was going to be made, I am informed. Finally, on October 17—

Mr. CASEY. Last?

Mr. GALPIN. Last; I wrote a letter, and I might say that a copy was served on Dr. Felix Frankfurter, and I wrote the third letter to the department asking for an investigation.

Mr. CASEY. To the Department of Labor?

Mr. GALPIN. To the Department of Labor; and all of these communications were to the department, and Mr. Densmore, and Mr. Litchfield, the chief of the skilled labor section, and the Secretary of Labor; and after these three letters were sent, on October 21, the first intimation that any attention was paid to this complaint was in the form of this letter, which I would like to read into the record.

The CHAIRMAN. You may read it into the record. It seems to be short.

Mr. GALPIN. It reads:

DEPARTMENT OF LABOR, OFFICE OF THE SECRETARY,
Washington, October 31, 1918.

Mr. HARRIS E. GALPIN,
Muskegon, Mich.

DEAR SIR: I have your letter of October 17, referring to a memorandum and protest complaining of certain senior examiners of the United States Employment Service.

I am informed by the assistant director general of the United States Employment Service that of the five men complained of by you, four, namely, William H. Smoot, N. J. Lannon, E. L. Norris, and Riley Briggs, have been withdrawn from Michigan, and are working in other States.

Very truly, yours,

JOHN W. ABECROMBIE,
Acting Secretary.

Mr. CASEY. And when did you send your letter?

Mr. GALPIN. The first copy was mailed on September 24.

Mr. CASEY. And that was—

Mr. GALPIN. And that was sent to each one.

Mr. CASEY. And what was the date of this letter?

Mr. GALPIN. October 31.

Senator KENYON. I do not know if I understood you to say what manufacturing was carried on in Muskegon. Was it war work?

Mr. GALPIN. Yes, sir. There is an exhibit in the complaint which shows the manufacturers and the situation, in the complaint that we are making to the Government.

Senator KENYON. And were they on straight contracts?

Mr. GALPIN. They were on straight contracts and subcontracts—a large number of them for the Liberty motors, and naval ordnance plant, gun mounts, and the machine tool plants were making piston rings, and so forth, for the aeroplanes—

The CHAIRMAN. You have a full memorandum there, have you not?

Mr. GALPIN. Yes, sir.

Mr. HERSEY. Can we have that for the record?

The CHAIRMAN. We will be very glad to put it in the record.

(The matter above referred to is printed in the record in full as follows:)

IN THE MATTER OF ALLEGED IMPROPER ACTIVITIES AND CONDUCT ON THE PART OF CERTAIN SENIOR EXAMINERS OF THE UNITED STATES EMPLOYMENT SERVICE.

To the HON. WILLIAM B. WILSON,
Secretary of Labor,

J. B. DENSMORE,
Director of the United States Employment Service, and
E. W. LITCHFIELD,
Chief of the Skilled Labor Section:

SIRS: Your attention is most respectfully directed to the following memoranda which has been prepared by manufacturers of the cities of Muskegon and Muskegon Heights engaged in the production of war materials, and is submitted to you as a protest against the unwarranted and highly improper activities of certain senior examiners of the United States Employment Office, hereinafter complained of.

The senior examiners referred to are Messrs. William H. Smoot, N. J. Lannon, E. L. Norris, Riley Briggs, and Albert Saether, all of whom are working under the direction of the State office of the United States Employment Service at Detroit.

In complaining of the activities of these gentlemen there are hereinafter set forth reports of certain meetings, verified in part by affidavits, which said reports and affidavits show among other things the following:

First. That said Messrs. Smoot, Lannon, Norris, Briggs, and Saether have knowingly permitted the use of their names and the title of their offices in the calling and advertising of certain open meetings of machinists in the city of Muskegon.

Second. That said meetings have been called and held for the sole purpose of using coercive methods and improper means in attempting to persuade nonunion machinists in Muskegon to join the union.

Third. That said Messrs. Smoot, Lannon, Norris, Briggs, and Saether, in attending and addressing such meetings as representatives of the United States Employment Service, have used coercive methods and highly improper language in attempting to carry out an avowed purpose of "organizing all workers in Muskegon and this part of the State."

Fourth. That said Messrs. Smoot, Lannon, Norris, Briggs, and Saether have endeavored to disturb and disrupt industrial conditions in Muskegon and Muskegon Heights and to create unrest and dissatisfaction among the workers in the war industries there located by openly criticizing working conditions, hours of labor, and rates of pay, and by referring to the manufacturers of said cities in improper, profane, and abusive language.

Fifth. That said senior examiners, and each of them, have openly encouraged the workers in said industries to strike for better wages, the eight-hour day, and union recognition, and have stated that if such strikes were called the National War Labor Board would settle all disputes in favor of the workers.

Sixth. That in addressing an open meeting of machinists held in Muskegon August 15, 1918, the said Riley Briggs, senior examiner as aforesaid, made the following statement: "Now is the time to make the manufacturers of this town hunt their hole. If you join the union and go on a strike, the employers here will stand a fine chance of getting any outside help, as all orders of help will have to go through the United States Employment Office."

Seventh. That at said meeting, held on August 15, Mr. Briggs also said: "If you join the union and demand an eight-hour day or more pay, no doubt you will get it, as there are several rulings of the War Labor Board to that effect."

Eighth. That in addressing an open meeting of machinists, held in Muskegon on August 1, 1918, the said E. L. Norris and N. J. Lannon, senior examiners as aforesaid, stated openly: "We are out to organize the machinists of Muskegon and the rest of the State. No shop in Muskegon that has had any trouble with the union will get men through the United States Employment Service until it comes clean with the union. We will place nonunion men in union shops and union men in other shops until they all get in the union."

Ninth. That in addressing an open meeting of machinists, at Muskegon on September 5, 1918, the said William E. Smoot, senior examiner as aforesaid, made the following statement: "If you don't join the union, you are slackers and nothing but goats for the — manufacturers of this town. I do not

give a — for a man that does not carry a union card. In a few days I will visit every shop in this town, and I will have the eight-hour day in full swing, and then we can all uphold the union, and it will show what remarkable work the union is doing. Some of the shops in this town are worse than prisons. The ditch diggers get more money than the toolmakers in this — town."

Tenth. That in addressing said meeting of September 5 said Albert Seather made the following statement: "Every man who is discharged or laid off from now on should come to me at once, and I will make a thorough investigation and find the reason why he is let out."

Eleventh. That in addressing an open meeting of machinists held on September 19 the said Albert Saether, senior examiner or field inspector, as the case may be (his official title is not definitely known), made the following statement: "The Government wants the men to organize and join the union; then it will not need Government employment agents any longer, as the union locals can supply the Government with all the men needed. The workers of Muskegon have a soft spot in their heads, and when they sit down their brains all go down in their seat, and they don't know enough to get up again unless the bosses come around and use a club on them."

Twelfth. That the said senior examiners and each of them at said meetings openly stated that higher wages for fewer hours' work were being paid in other cities of Michigan and in Eastern States, and actively assisted the officers of the machinists' union in enrolling applicants for union membership.

The manufacturers who join in singing and submitting this protest respectfully show that there can be no justification for the conduct above complained of, and that the following is a fair statement of the industrial conditions now prevailing in Muskegon and Muskegon Heights:

(1) The cities of Muskegon and Muskegon Heights are now and for 20 years past have been open-shop towns.

(2) Every manufacturer in said cities operates what is known as the open shop.

(3) There are employed in said cities a total of 4,500 machinists and machine operators, less than 140 of whom have union affiliations.

(4) No labor difficulty or dispute exists in Muskegon, nor has any dispute of serious character arisen within the past two years.

(5) That steady wage increases have been given by the employers from time to time to meet the increased cost of living and promote the welfare of the workers, and that in addition to such basic rate increases it has been the policy of the Muskegon manufacturers to reward each man according to his individual merit and grant him such advances as his work would warrant.

(6) That the production records of said industries are well and favorably known to the Army and Navy Departments, and that the present percentage of labor turnover is very low.

Because of the fact that the activities of these senior examiners do not conform to the assurances made to Muskegon manufacturers by the Government and are not in line with the legitimate duties of senior examiners of the United States Employment Service (Exhibit B, attached hereto, is very plain thereon), the manufacturers and industries of Muskegon and Muskegon Heights desire to directly call the attention of the Department of Labor to this protest and to request that these senior examiners be summarily removed from their offices and other senior examiners warned against activities of this character.

In the paragraphs below there are set forth true and accurate reports of the open meetings above referred to, all of which reports can be verified upon investigation.

MEETING OF AUGUST 1.

On August 1, 1918, there was held in the Woodmen Hall, of Muskegon, an open meeting of machinists. This meeting was advertised by the distribution of circulars throughout the city. Said circulars stated in substance that the meeting was for the purpose of mobilizing machinists for war work, and that addresses would be made by representatives of the United States Department of Labor.

The speakers at the meeting, which was attended by about 75 men, were E. L. Norris and N. J. Lannon, who stated that they were senior examiners of the United States Employment Service.

In their remarks both men stated that they were going to organize the machinists of Muskegon and the rest of the State. That they were to secure skilled workers for Government work and intended to place union men in

nonunion shops and nonunion men in other shops until all men got into the union.

They stated that the Linderman Steel & Machine Co., of Muskegon, has been endeavoring to secure men through the United States Employment Service in Grand Rapids, but that they had put a stop to it, and the Linderman Co., could not get any more men until the union had been recognized.

These men also said that Riley Briggs would be back in Muskegon in about one month; that he would then be back to start things going and it would be an easy matter to get all of the shops in Muskegon organized.

They further stated that another meeting would be held on August 15 and urged a larger attendance.

MEETING OF AUGUST 15.

On August 15 an open meeting of machinists was held at Woodmen Hall, Muskegon. The meeting was advertised and announced in the same way as the meeting of August 1. There were about 100 present.

What took place at this meeting is set forth in the affidavits of Earl J. Howes and Leroy Edward Stobbs attached hereto. Riley Briggs was the speaker and the language attributed to him is set forth in said affidavits.

MEETING OF SEPTEMBER 5.

Attached hereto is the copy of the printed circular announcing and advertising the meeting of September 5. The meeting was held in the Woodmen Hall and was called to order at 8 a. m.

The first speaker was Fred Griffith, organizer of the International Association of Machinists. He spoke of the need of organizing in Muskegon. He spoke of the success he had met in organizing men in other sections of the country, and said he would show the natives here just what he could do. He said in closing that he would leave the rest to Mr. Smoot.

Albert Saether, a special representative of the United States Employment Service, was the next speaker. He said he was in Muskegon to represent the Government and would see to it that union men would not lose their jobs. He asked that every man in the future, when laid off or discharged, come to him at once and he would make a thorough investigation to ascertain why the men were let out. He said he could get jobs out of Muskegon for the men here, and that the pay would be from 72 cents to 90 cents an hour.

The next speaker was William H. Smoot, who said he was a senior examiner of the United States Employment Office. He was very profane in his remarks. He denounced "the d— manufacturers" of Muskegon and criticized the way they were using their men. He said, "The working men of this d— town are not civilized. All that they can think of is to work as many hours as they can, and as many hours as the bosses want them to, and also to work for straight time after eight hours."

He also said, "The ditch diggers get more money than the toolmakers in this d— town. The machinists in other cities do not have to sneak through the alleys and back streets to go to work because they can go to work in white shirts and collars. In this d— city, however, the men have to go down the back alleys because their clothes are in rags and they are not fit to be seen. They are all dirty slackers to the union, and if they wanted to improve their conditions they would join the union at once."

"I do not give a d— for a man that does not belong to the union. If there are any men here that don't belong they should join to-night. Then they can soon get the eight-hour day and 90 cents an hour. If they do not join it shows that they are goats for the manufacturers of this town and they are all slackers and have a big yellow streak in them."

"In a few days I will visit every shop in town and have the eight-hour day in full swing here. That will show you what remarkable work the union is doing, and we can all unhold the union. It makes no difference what work you are doing, you can join the union."

MEETING OF SEPTEMBER 19.

This meeting was not advertised by circular, but was an open meeting. Albert Saether, an inspector of the United States Employment Service, was present and made the speech of the evening.

He said, "The Government wants all the workingmen to organize and join the union. Then there will no longer be need of Government employment agents or the United States Employment Service, as each local machinists' lodge will be able to supply the Government with all the men it needs. The workingmen of Muskegon have a soft spot in their heads, and when they sit down their brains all go into their seats, and they don't know enough to get up again unless the bosses come around and use a club on them.

"It is now time for the workers of Muskegon to get into the union. If you don't get them in, I will start enrolling them the next time I come back here."

It is submitted that the conduct of these senior examiners, if continued, will lead to labor difficulties in communities where no industrial strife now exists. Not alone in Muskegon, but in other points throughout the State, are these men spreading their pernicious propaganda. Lansing, Battle Creek, Kalamazoo, and other points in Michigan are being visited by these senior examiners. They should be removed from office.

The manufacturers who sign this memoranda are named in a list attached hereto and marked "Exhibit A."

Dated September 24, 1918.

Respectfully submitted.

HARRIS E. GREPIN,
Attorney for Manufacturers.

EXHIBIT A.

The manufacturing corporations who sign and join in the foregoing memoranda and protest are as follows, to wit:

Continental Motors Corporation, engaged in the manufacture and production of military truck motors.
Campbell, Wyant & Cannon Foundry Co., production of gray iron castings for military, aeroplane, truck motor parts.
Shaw Electric Crane Co., production of electric traveling cranes for arsenals, shipyards, munition plants, and docks.
Motor Manufacturing Co., production of machines and machine tools for Emergency Fleet Corporation, railroads, and munitions plants.
The Piston Ring Co., production of piston rings for military trucks, aeroplanes, military tractors, and marine engines.
Enterprise Brass Works, production of brass and aluminum castings and parts for naval gun mounts and military truck motors.
L. O. Gordon Manufacturing Co., production of cam shafts for military truck and aeroplane motors.
Pyle Pattern & Manufacturing Co., production of wood and metal patterns for war industries.
Lyons Machine & Manufacturing Co., production of machine tools for war industries.
Muskegon Tool & Stamping Co., production of machine tools for war industries.
Muskegon Motor Specialties Co., production of cam shafts for military truck and aeroplane motors.
Lakey Foundry & Machine Co., production of gray iron castings and parts for military truck motors.
West Michigan Steel Foundry Co., production of steel castings for naval gun mounts and coal-mining machinery.
Amazon Knitting Co., production of cotton underwear for Army.
Master Pattern Co., production of wood and metal patterns for war industries.
Shaw-Walker Co., production of steel filing cabinets and devices for Government departments.
E. H. Sheldon Co., production of steel cabinets for Government departments.
U. S. Gas Machine & Pattern Co., production of wood and metal patterns for war industries.

HARRIS E. GREPIN,
Attorney for Signers, Muskegon, Mich.

EXHIBIT B.

The Government has assured Muskegon manufacturers that conditions will not be disturbed.

In "Instruction to bidders," War Department, Chief of Ordnance, dated September 25, 1917, in a footnote to section 17 as to "labor disputes," this language occurs:

"In view of the questions which naturally occur to contractors in consideration of this article, attention is called to the expressed policy of the Government with respect to labor disputes as declared by the Secretary of Labor on April 23, 1917, which has been repeatedly reiterated. The Council of National Defense takes this position: That the standards that have been established by law, by mutual agreement, or by custom should not be changed at this time; that where either an employer or an employee has been unable under normal conditions to change the standards to their own liking, they should not take advantage of the present abnormal conditions to establish new standards.

"In order to obviate any misunderstanding with respect to the intent of this clause or the policy of the Government in inserting the same the Secretary of War desires that contractors be advised of the fact that by the foregoing statement the Government has emphatically renounced any suggestion of introducing the closed shop under cover of settling war disputes in plants doing Government work."

COPY OF AFFIDAVIT.

STATE OF MICHIGAN,
County of Muskegon, ss:

I, Le Roy E. Stobbs, do solemnly swear that I reside at 15317 Myrtle Avenue, Harvey, Ill. That I am 33 years of age, and am a native-born American and citizen, as aforesaid.

I left the city of Chicago, Ill., on August 14 to come to Muskegon, Mich. In the morning of August 15 I applied at the Continental Motors Corporation in the city of Muskegon for work and secured a position as a lathe hand. I was instructed to report for work on the following morning.

During the day I learned of a meeting of machinists to be held at the Woodmen Hall in Muskegon. I learned the meeting was an open meeting and was to be addressed by Government representatives. I therefore attended the meeting, which was held at about 8 o'clock p. m. There were about 100 present.

A man, whom I understood to be Duke Yonkers, president of the local machinists' union, opened the meeting and presided. He stated "this is not a Government meeting, as you might believe, but is a meeting of the machinists' union and is an open meeting."

He said, "The speaker to-night was to be Mr. Smoot, of the Federal Department of Labor, but he was not able to come, so he delegated one of his subordinates to be present. This man is Riley Briggs, former business agent of this union but now one of the agents of the Government."

Briggs then arose to speak. He first outlined the work of the Taft-Walsh War Labor Board and stated the objects of this board. He said he was a Government employee and said that the Government recognized the right to organize. He read the decision of the War Labor Board in the Bethlehem Steel Co., and also read an article from the Chicago Tribune with reference to union organizing. He also read the basic law relating to labor as defined by laws laid down by the Federal Labor Board, and laid emphasis on the employee's and employer's right to organize.

He said, "Here are the laws and the decisions. There is nothing to prevent you men from organizing and joining the union. If you do, and ask for an eight-hour day or more pay, no doubt it will be granted to you, as there are several rulings of the Labor Board on that. If men working in a plant go out on a strike, the employer will stand a 'fine chance' of getting any help, as the order for help will have to go through the United States Employment Bureau."

He also said, "We are out to get men for firms on Government work all over the State. In Muskegon you are getting 65 cents an hour for tool makers, but in Detroit you can get 90 cents at Dodge Bros. Men are also wanted at Jackson for the Jackson Munition Corporation at 90 cents per hour. There are a lot of good jobs open. Look these lists over after the meeting if you're not on essential work."

"All United States Employment Service examiners are instructed to cover all union meetings and give advice and work with the unions, even if they have to go out of their way to attend these union meetings."

"'Pritchford' Henderson was to be here to-night but he is probably detained in Madison, Wis. He will probably be here next Thursday night at the regular meeting, however, and a lot of new members of the union will be initiated. The law says you can organize, and there is nothing for you to be afraid of. They can no longer fire you for it. There are now 250,000 members of the machinists' union, which is a big increase in the members to date."

The secretary of the union, whose name is said to be Kroeger, then took the floor and said, "Now is the time to organize and get 100 per cent membership."

The secretary then started to pass out cards for application for union membership and to sign up the applicants.

A committee was organized to get a list of men doing "nonessential" work, even in war-industry plants. Another meeting for next week Thursday was announced.

LE ROY EDW. STOBBS.

Subscribed and sworn to before me this 19th day of August, 1918.

HARRIS E. GALPIN,
Notary Public, Muskegon County, Mich.

My commission expires March 6, 1919.

COPY OF AFFIDAVIT.

STATE OF ILLINOIS,
County of Cook, ss:

I, Earl J. Howes, resident of Oak Park, county of Cook, State of Illinois, being of lawful age, do depose and say that:

On Thursday, August 15, 1918, I arrived at the New Woodmen's Hall, corner Terrace and Western Avenue, at 7.45 p. m., and found six men in the hall. This number was later increased to between 100 and 125 men.

At 8.20 p. m. a man named Yonkers called the meeting to order, and stated same was an open meeting for machinists and was called by the local organization of the International Association of Machinists; that at the previous meeting two Government employees addressed the persons present, and that they had expected "Pitchfork" Henderson and a man name Smoot to be present and address the meeting to-night, but both had been prevented from so doing.

Yonkers stated the purpose of the meeting was to explain the attitude of the United States Government toward labor and to seek to build up their local union organization. He then introduced Riley Briggs, former local business agent of the machinists' union.

Briggs first apologized for Smoot's inability to be present, and stated Smoot had requested Briggs to speak for him. Briggs said that Smoot is the official in charge of the organization work in the State of Michigan for the War Labor Board, and that Briggs has been appointed to assist him and is now in the United States Government service under Smoot for the War Labor Board; that it is the duty of these men—Smoot and his assistants—to organize Federal employment bureaus, and to assist employers having war contracts to secure the necessary labor, skilled and unskilled, to get out their quota of work.

Briggs explained the work as follows: "We are provided with a list of firms in a certain town. This list shows the name of the firm, total number of employees, and per cent of war work being done in the factory or shop. We visit the shops and examine as to the number of men engaged on nonessentials, and request the employer to turn over a certain per cent of employees engaged to firms engaged on war contracts, compelling the employer to turn over these men; but the Government can and will place such employers on a footing where they will be prevented from securing any coal or raw material or cars to transport their merchandise, and the result will be that they will have to close their shops, then the employees will be placed in shops doing war work by the Federal Employment Bureau."

Briggs continued his address, and said that the Federal Employment Bureau is being organized throughout the entire United States, and that as soon as a branch is established in a locality it is impossible for an employer to secure labor, skilled or unskilled, except through said employment bureau. He read extracts from a bulletin issued by the War Labor Board to prove his statement.

Briggs next read a list of Jackson and Detroit firms engaged in war work, who desire the services of mechanics at this time. This list included an automobile firm in Jackson and Dodge Bros.' plant in Detroit. The wages offered

for machinists were announced in each case and ranged from 72 cents for lathe hands to 90 cents for toolmakers and \$10 per day for hammermen. All firms mentioned, he stated, work on an 8-hour basis, with time and a half for overtime. He invited any machinists not engaged on war work to meet with him after the meeting if they cared to consider any of these positions. He said he would talk with them as to their fitness and give them the proper address where they apply for work.

Briggs stated that four machinists are required to keep every fighting man in France equipped with ammunition, transports, etc., and that as more men are sent overseas, more machinists will be needed to keep them supplied.

Upon the question of the right of men to organize unions, Briggs had the secretary read a report of the War Labor Board in regard to Bethlehem Steel Corporation, wherein it was stated that the employers organize and that labor also has a right to organize.

Relative to the question of organization, Briggs urged all men present to join the union, stating that labor was responsible for the organization of the War Labor Board, which has ruled that the employer and employee must get together, and that strikes or lockouts on war contract work will not be permitted; that every ruling of the War Labor Board has been favorable to organized labor.

Briggs stated that if the employees' demands are just they can not lose, as the Federal Labor Bureau will not supply men to replace those refusing to work under unjust conditions, and the employer will not be permitted to seek labor except through said bureau; that in no case will a firm be allowed to advertise for or seek or employ men except through the Federal Labor Bureau.

Referring to strikes, Briggs said that a few days ago the vice president of the International Association of Machinists stated at Toledo that a few years ago there were 33,000 machinists on strike and that now there are nearly 250,000 union machinists, and that less than 1,000 are on strike in the United States.

Briggs stated that no man need fear to join a union at this time, as same has been sanctioned by the War Labor Board, and that this board has the backing of the President of the United States and the entire administration. He did not use those exact words, but did so state openly and forcefully. He said no employer would be permitted to prevent his men from organizing.

Briggs then asked for volunteers to serve on a committee to report to the union the names of all persons employed as machinists at the various plants and who are not actually working on war work. He stated that these men need not be union men, but that any one might so serve. Some 10 or 12 men volunteered from different shops, but being a stranger and unfamiliar with the names of the firms or employees, I am unable to supply same.

Briggs told these men that if their employers attempted to prevent them from rendering these reports, they should report the matter to a dark, medium-sized man, whose name I caught as "Way." This man was seated to the right of Yonkers, and seemed to be some kind of a secretary. I took him for the financial secretary, as he had ledgers and journals on the desk in front of him.

At the close of the open meeting the two secretaries and Yonkers invited men to come forward and make application for membership, and announced that there would be a closed meeting immediately following. About 25 men remained; I could not judge of the number who were actual members.

When the secretary announced the dues as \$3, some man behind me, whose name was not mentioned and whom I did not see, asked the secretary what they could expect to get for their \$3. The secretary then gave a talk on unionism and its benefits and read a poem by "Pitch fork" Henderson appropriate to the question.

Further affiant saith not.

EARL J. HOWES.

STATE OF ILLINOIS,
County of Cook, ss:

Earl J. Howes, being first duly sworn on oath, deposes and says that he has read the above and foregoing affidavit by him subscribed, and knows the contents thereof, and that said affidavit and the contents thereof are true in substance and in fact.

EARL J. HOWES.

Subscribed and sworn to before me this 30th day of August, 1918; and I do hereby certify that I have authority under the laws of the State of Illinois to administer oaths for said State.

JOHN W. NOBKETT,
Notary Public, Cook County.

My commission expires January 16, 1921.

[Copy of circular advertising meeting.]

MASS MEETING FOR MACHINE-SHOP WORKERS.

Thursday evening, September 5, 1918, at 8 o'clock, at New Woodmen Hall, Terrace Street and Western Avenue.

All workers are given the right to organize, without fear of discrimination. Your employer is organized; why not you?

Mr. William H. Smoot, of the United States Employment Service, will speak at this meeting, and show what machinists are doing to help win the war.

Organizer Fred Griffith, of the International Association of Machinists, will show the need of organization in Muskegon.

All machine-shop workers should attend. Lady machine-shop workers should also attend.

HARRIS E. GALPIN,
Attorney at Law, Muskegon, Mich.

OCTOBER 17, 1918.

I. W. LITCHFIELD,

*Chief of the Skilled Labor Section, United States
Employment Service, Washington, D. C.*

DEAR SIR: Upward of four weeks ago I forwarded for your attention a memoranda and protest on behalf of Muskegon manufacturers, complaining of certain senior examiners in the United States Employment Service.

To date I have received no reply nor indication of any kind that this is receiving the attention of your department.

Very respectfully, yours,

HARRIS E. GALPIN,
Attorney at Law, Muskegon, Mich.

OCTOBER 17, 1918.

J. B. DENSMORE,

Director United States Employment Service, Washington, D. C.

DEAR SIR: Upward of four weeks ago I forwarded for your attention a memoranda and protest on behalf of Muskegon manufacturers, complaining of certain senior examiners in the United States Employment Service.

To date I have received no reply nor indication of any kind that this is receiving the attention of your department.

Very respectfully, yours,

HARRIS E. GALPIN,
Attorney at Law, Muskegon, Mich.

OCTOBER 23, 1918.

HON. WILLIAM B. WILSON,

Secretary of Labor, Washington, D. C.

DEAR SIR: On September 25 last, I forwarded to Messrs. J. B. Densmore and I. W. Litchfield, of the United States Employment Service, copies of the inclosed memoranda and protest, addressed to you and the gentlemen above named. I requested that the matters therein contained be brought to your attention, and that I be advised as to what action, if any, would be taken.

Since forwarding said memoranda and protest, I have received no reply or advice of any kind, although I have since written both Mr. Densmore and Mr. Litchfield on the subject. My clients feel that the statements contained in these protests are of sufficient importance to merit some attention, and I am referring this matter directly to you, and trust that the receipt of the memoranda and protest will be acknowledged.

I might say that manufacturers in other parts of Michigan are watching with interest the disposition of this matter.

Very respectfully, yours,

Mr. GALPIN. I would say that, because of the fact that we complained as citizens, as manufacturers who were, of course, trying to get out production for the Government at that time. There were

some problems for the manufacturers to meet in turning over their shops for war production, problems of efficiency, etc.

Mr. CASEY. Did the Federal Employment Service during this time place any men there?

Mr. GALPIN. It did not.

Mr. CASEY. And your complaint is that the Federal Employment Service tried to unionize the shops of the manufacturers—

Mr. GALPIN. In Muskegon, and in Detroit, and in the other plants.

Mr. CASEY. Do you have an employment agency of your own?

Mr. GALPIN. The Employers' Association of Michigan had, and it maintained a service—

Mr. NOLAN (interrupting). Was there any agency of the United States Employment Service located in Muskegon?

Mr. GALPIN. Yes, sir.

Mr. NOLAN. And who was the agent there?

Mr. GALPIN. Who was the agent?

Mr. NOLAN. Who was in charge of the United States agency in Muskegon?

Mr. GALPIN. Mr. Alexis Rocosai.

Mr. NOLAN. And who was in charge of the State agency? Did they have a State agency there?

Mr. GALPIN. Yes, sir.

Mr. NOLAN. And who was in charge of that?

Mr. GALPIN. Dr. William H. Smith, jr.

Mr. NOLAN. Do you know who appointed Mr. Cunningham, upon whose recommendation he was appointed?

Mr. GALPIN. I do not. I have understood that he was—

Mr. NOLAN (interrupting). Was he recommended by the State council of defense?

Mr. GALPIN. I do not know. I do not believe he was, but he might have been.

Mr. NOLAN. Have you got a chain of State employment offices in the State of Michigan?

Mr. GALPIN. Yes, sir.

Mr. NOLAN. How many?

Mr. GALPIN. I think there are about 12 or 14 of those.

Mr. NOLAN. And do you think that Mr. Fletcher was in charge of these employment offices?

Mr. GALPIN. Yes, sir.

Mr. NOLAN. And do you know whether at that time he was working in cooperation with Mr. Cunningham?

Mr. GALPIN. I do not believe he was. I was so informed by Mr. Fletcher—

Senator WALSH. As I understand it, you have produced some testimony here that shows that complaint was not acted upon for one month?

Mr. GALPIN. It was never acknowledged and never investigated—

Senator WALSH. That letter there that acknowledged the complaint said that the four men had been removed from Michigan?

Mr. GALPIN. Yes.

Senator WALSH. And is that the fact? Were they removed?

Mr. GALPIN. Yes.

Senator WALSH. So that between the time that you wrote your letter in September—between the time that you wrote that letter and the time that the answer came, there had been some action taken with reference to the four men and they had been removed.

Mr. GALPIN. Yes, sir.

Senator WALSH. But you had gotten no letter to that effect?

Mr. GALPIN. No; and the employers in the other States had their troubles with these men, too, I understand.

Senator WALSH. Was your concern on the black list, the so-called black list, of labor?

Mr. GALPIN. It was not.

Senator WALSH. Did the unions boycott it or blacklist it?

Mr. GALPIN. Do you mean the manufacturers of Muskegon or only one member?

Senator WALSH. Any one member.

Mr. GALPIN. The Linderman Steel & Machine Co.—as I said, there was a strike there, but at the time the United States service was there the union withdrew the strike.

Senator WALSH. I only asked the question in regard to the difficulty of getting labor to go there.

Mr. GALPIN. We had very little difficulty before the employment service was there and before we were restricted in getting the labor in the open market. After that we had some difficulty.

Mr. NOLAN. Between the time you wrote that letter—the first letter, the letter to Secretary Wilson and the others—and the time you received the letter did any of the men come back to Muskegon and hold meetings?

Mr. GALPIN. Mr. Saether did; yes, sir.

Mr. NOLAN. Did he hold an organization meeting?

Mr. GALPIN. Yes, sir.

Mr. NOLAN. And what date was that?

Mr. GALPIN. I think it was about two weeks after September 19.

Mr. NOLAN. Have you a report of that meeting?

Mr. GALPIN. I have not. I did not pay much attention to it, because we expected the department to take care of it.

Senator WALSH. At none of the meetings were unions established, were they?

Mr. GALPIN. No.

Senator WALSH. They failed of their purpose, did they?

Mr. GALPIN. Well, the manufacturers there, they had these problems to meet, and there was no sentiment for this kind of work among the workmen. The Shipping Board speakers and the others were coming in, and they were making patriotic speeches—

Mr. CARSS (interrupting). Did the manufacturers take any action to prevent the men forming unions there?

Mr. GALPIN. No, sir. The attitude in Muskegon toward organized labor I do not think has ever been clearly defined, because there has never been sufficient organization in Muskegon in recent years, in my experience there, to cause any difficulty. There has been no serious labor difficulties in Muskegon.

The CHAIRMAN. Now, Mr. Galpin, if you want to file anything in addition to what you have said—

Mr. GALPIN. I wish also to extend my objections to the service, because of the same reasons pointed out by the other witnesses. I

do not think it is a proper Federal function, and certainly it has not the confidence of the employers in Michigan, and I do not think it is a proper Federal function, and I do not think that this conduct on the part of the agent of the service is American, and I do not believe the service is necessary, and I think it is only cumulative, and it causes the spread of a kind of propaganda which I know does not do any good.

Mr. CARSS. You say that, in your opinion, it is not a proper Federal function to secure work for men who are out of work?

Mr. GALPIN. I think it might be if it were necessary. I do not see any necessity for it. I think that actual experience will show that there is no necessity for it.

Mr. CARSS. You think that actual experience will show that there are no men out of employment, that there are no employers seeking men?

Mr. GALPIN. We have in Musken, we have been permitted from time to time to send our employment of Muskegon to the various camps where the men are demobilized, and you will always find 20 or 30 other employment agents there trying to get those men who are being demobilized. We find that the competition for the returning soldiers is very great so far.

Mr. HERSEY. Is there any surplus of labor in Michigan, Mr. Galpin?

Mr. GALPIN. No; there is a shortage of labor in Michigan.

Mr. HERSEY. A shortage of labor?

Mr. GALPIN. Yes, sir.

Mr. CARSS. Did you say that there is a shortage of labor in Michigan?

Mr. GALPIN. Yes, sir.

Mr. CARSS. And if the employers were short of men, don't you think it would be to their advantage to have an employment agency to which they could go and get their men?

Mr. GALPIN. Well, it might be in a service in which they could have confidence, but it would not be in a service in which they could not have confidence.

Mr. CARSS. In case the Government established a service that would function properly and supply the men for manufacturers, wouldn't you be in favor of maintaining the service?

Mr. GALPIN. Well, I do not believe—

Mr. CARSS. But I am asking you the direct question, and I would like to have an answer to that.

Mr. GALPIN. No; I would not.

STATEMENT OF MARK M. JONES, EAST ORANGE, N. J., DIRECTOR OF PERSONNEL OF THE THOMAS A. EDISON INDUSTRIES.

The CHAIRMAN. We are rather pressed for time, Mr. Jones, and I would like to ask about how much time you think you would want.

Mr. JONES. I would not take more than 25 minutes at the maximum, because I am not going into any specific objections at all.

The CHAIRMAN. Well, give us your name, Mr. Jones.

Mr. JONES. Mark M. Jones.

The CHAIRMAN. And your residence?

Mr. JONES. East Orange, N. J.

The CHAIRMAN. And your business.

Mr. JONES. I am director of personnel of the Thomas A. Edison industries at Orange, N. J.

The CHAIRMAN. And whom do you represent?

Mr. JONES. And I am also the executive secretary of the National Association of Employment Managers.

The CHAIRMAN. We will be very glad to hear from you.

Mr. JONES. I might state further, in order that you will have a gauge of my contact with this subject; that I am a member of the community labor board for the eleventh district of New Jersey, representing the employers, and during the war for about 6 weeks I was in Washington as assistant to the Director General of the United States Employment Service from one to three days per week with the view of helping them to work out certain improvements in their administrative office arrangements, so that I have been in rather close contact with the subject.

The CHAIRMAN. Are you in favor of a Federal employment bureau?

Mr. JONES. I appear here in favor of a Federal service of research and statistical nature that will aid in the development of a highly decentralized service, according to State lines. I feel there should be no executive responsibility whatsoever in Washington.

Mr. HERSEY. Statistical work could be done by the Department of Labor, could it not?

Mr. JONES. I do not feel that anything connected with the employment service should be administered by the Department of Labor.

Mr. HERSEY. Could not statistical work be done by that?

Mr. JONES. Well, any department could do that. That is simply a national reflection of a condition that is developing in industry. During the past three years the more progressive managements in industry have been attempting to so organize their plants that they will have an agency in the plant definitely charged with the responsibility of studying the question of labor in that place, and among other things, employment offices that centralize or function or employ or release the men in the factory, have been set up. In the Edison industry we have a central employment office, and we have an employment office, or did have, that serves some one hundred and twenty-five functions. That is what we have now. That employment office is considered a separate unit and administered as such. A central employment office has to regulate the service that it is called upon to give, and is supposed to be absolutely neutral, and it represents the interests of the workmen and the management and represents the management's viewpoint to the workman himself. It has developed an industry as nearly as possible on a neutral basis. I think that a national service has no more place in the Department of Labor, that has executive responsibility, than it has in the Department of Commerce. It is purely a separate and distinct thing, and if organized on a national basis, it is larger than the Department of Labor or larger than the Department of Commerce, and should be set out by itself, and set up on a separate basis. But that is 10 years ahead of us at the present time.

I think that the most satisfactory development will only come through building up strong State service, and some day linking all of those services together. That could be done at some time, and an

interstate clearance can be made, and not a national service at all, and I feel that interstate clearances are only effective in so far as the parties of the two States are properly organized and are able to render service, but that is not the situation to-day, and I think that our efforts on this question should be directed entirely to the work of building up the State services. The men who are studying administration in industry are studying the problem of decentralization of authority. The idea of centralization has been explored and exploded, and we have got to get decentralization just as far as we can. That holds true with respect to national matters. It is purely a question of organization, and it is a science, I think, in itself, and that can only be worked out from an ideal standpoint in that way. I present that because there is an ideal that should be kept in view, and I feel that under the present conditions we would be going away in the dark if we had a Federal service with executive authority. A service for research and statistical work, to render the service called for by the States, would be more in line with what we think should be the ultimate development. That opinion based on my contact with organization as we have it in the Edison plant, and also contact with employment managers all through this country.

Now, there is one other thing that I would like to do. The National Association of Employing Managers is an organization about one year old, that was organized by the local associations of the employment managers, which are composed of men who are responsible for this employment function in industries subject to the direction of the executive head. They have linked themselves together in 36 States of the United States.

Mr. NOLAN. They are in how many States, and where are they?

Mr. JONES. They are from the Pacific to the Atlantic. There is one in the Pacific Northwest, one in Boston, and in New York, Rochester, Pittsburgh, and so on, and six or seven of them took the initiative in forming a national association. You will see here an association that has been formed through the development of local units which have come together and formed a national organization. There are 26 such organizations altogether, and I would say that there are about 2,000 industries connected with them. We do not know exactly the number, but we think it is about that number in the national association. The 16 associations that have formally affiliated themselves with the national association have a membership of 1,109 business firms, and those 1,109 business firms employ about three and one-half million men. The exact number there is no way of finding out, and no way of keeping it up to the minute. It is indicative of the fact that the industries recognize that this question of employment as a business in itself and one that they are thinking of through the creating of organizations for that purpose. These organizations are entirely constructive. You will find the great majority are trying to improve things and are working on a constructive basis.

We have had a great deal of experience with the present service, but I imagine that you have had volumes of that here. It all seems to me to be due to administrative problems, and I would not attempt to go into that. I am only interested in seeing that this is set up on the right basis.

Mr. HERSEY. I will say that the individual instances of inefficiency were not interesting, but that we are really interested in the principle of a Federal employment agency, whether it is something that should be organized and kept up in peace times, or whether it should not be organized.

Mr. JONES. It is a question of organization, just like a board of directors say, for instance, of the United States Steel Corporation, would be confronted with as a separate function in their own business. We will say that they have 48 plants in the different States, and in each State I would like to see the employment administered in such a way that production would be facilitated in that particular enterprise, whatever it is. They organize themselves so that there is an agency of that kind, and they study this thing in a scientific way, and they go to the work and do the work. They pay out good money for doing it, and I think you will find it done in this way, that they are working very strongly to the idea of decentralization, just as every other progressive management that has more than one or two industrial units to control. It is the serious matter of getting the right coordination of a large number of units, and if you do not decentralize you do not get the results.

Mr. HERSEY. We have had some testimony of efforts or attempts to make for unionized labor. You are speaking of an organization outside of union labor, and it is a service organization or organization of employers or manufacturers, employers of labor.

Mr. JONES. In their own factories.

Mr. CASEY. And would there be an attempt on their part to fight union labor? Are they organized for that purpose?

Mr. JONES. I know there would not be as a federation. There might be isolated instances of that sort, just as there is in anything else. That is a proposition that levels up to human nature. They were not organized for that purpose, but are purely constructive, and in recognition of the fact that they must be studied as one of the things which go to improve industrial conditions.

Mr. HERSEY. And you would not like to have capital against labor or labor against capital?

Mr. JONES. No; I should say not. We are struggling with the whole question of so setting up the responsibilities that we get the coordination that brings results.

Mr. CASEY. When you use the word "decentralization," or decentralization of authority or administration—

Mr. JONES. I think that those two words are coordinated. In other words, there is an administration almost being the same thing from the standpoint of decentralization. Decentralization of administration is what I mean, and you must have authority in order to get administration.

Mr. CASEY. Decentralization or decentralized authority would be decentralization of administration, would it not?

Mr. JONES. Well, I am for decentralized authority, with just enough linking up so that it proceeds in light of the fact, in light of all the facts, as of information—

Mr. CASEY. But I mean, if you have decentralized authority and administration, do you not have conflict? Where do you get the authority—

Mr. JONES (interrupting). Your only conflict would be between the States.

Mr. CASEY. Yes.

Mr. JONES. And I can not conceive of there being a serious enough problem in connection with employment to justify the setting of a Federal service to take care of those few things—

Mr. CASEY (interrupting). Do not misunderstand me. I am not going to try to have you answer the question in connection with the bill before us, but in connection with the theory that you are advocating. Say this decentralization of authority or administration—

Mr. JONES (interrupting). I do not exactly get your differentiation between authority and administration.

Mr. CASEY. Well, there are two lines of thought on that question.

Mr. JONES. Centralization versus decentralization. There are in industry two. We have that problem in our own plant. I will read you a very brief statement from Mr. Charles Edison in that regard. It is only a few words:

To me the job is a "State right's" job. There is too much centralization into Federal hands. The less there is of Federal Government the better the Government result. The Central Government should act in a research and advisory capacity and let the States do the executive work.

Mr. NOLAN. How long have you been in charge of the employment service in the Edison works?

Mr. JONES. Three years and three months.

Mr. NOLAN. And did you institute that system down there?

Mr. JONES. Yes; I went there for the purpose of setting up what is known as the personnel department, which has charge of that question of industrial relations—

Mr. NOLAN. And that was before the United States Employment Service was created?

Mr. JONES. Yes, sir.

Mr. NOLAN. Did they then have a State employment bureau in the State of New Jersey?

Mr. JONES. I think they had a few offices in New Jersey.

Mr. NOLAN. Can you give us in as brief a way as possible the reason why this employment service was set up in the Edison works, what brought it about, what the difficulties were in the way of getting help, and what brought it about?

Mr. JONES. The reasons for bringing it about were, first, because in studying our organization we saw that we were not giving any special consideration to the administration of the pay roll, which is a terrific figure in our business. So Mr. Edison decided that we ought to organize ourselves and study that pay roll so that we could administer it in the most intelligent manner possible and in line with the most advanced thought of the times. We started out by setting up a centralized employment office, because we felt that we had 125 policies in connection with employment and the separation of the men from the pay roll, instead of one, and we set up a central employment office which served as a clearing house, or a sort of stock room, theoretically, to which the needs were communicated and from which the supply to fill that demand went out. That resulted in our having control of the situation and in our being able to carry it out as Mr. Edison thought it should be carried out. In other words, we wanted to give more consideration to the men

applying for work. We wanted to see that they were received in a better way than they had been received before, and not have them to look around for a job, but to have the one place to go to in order to get a job, when there were 125 before that time. This was a central place where the needs were known, and for that reason, the men coming there could come to that place——

Mr. NOLAN. And what agencies did you use prior to that time? Did you employ the fee-charging agencies or the newspapers?

Mr. JONES. Well, mainly the newspapers and the gates.

The men knew where the place was that they used to come to the gates, and then the foreman would go down to the gate and pick out a certain number of men and take them in and put them to work.

Mr. NOLAN. And did you ever use the fee-charging agency for securing the employees?

Mr. JONES. I do not know of my own knowledge, and I doubt if the people who were doing the employment then knew that there was such a thing.

Mr. NOLAN. Do you still do any advertising in order to secure employees?

Mr. JONES. Occasionally; but we endeavor to hold it to the minimum.

Mr. NOLAN. And do you use any of the fee-charging agencies in securing employees?

Mr. JONES. Yes, sir; and, as an indication, I would like to tell you that as the result of the action of Congress in connection with the employment service, the State director in New Jersey has felt that he had to discontinue the Orange office, which was an office that helped us, and I happened to be a member of the community labor board under whose jurisdiction that office came, and I felt that the manufacturers should attempt to foster this idea in a local way. I did not think that centralization in industry had been thoroughly proven, and I do not think that it should be attempted on a national basis. You should have to start down at the bottom and work up. In connection with this Orange office, we had word that it was to be discontinued on account of lack of funds.

Mr. NOLAN. Was that an employment office?

Mr. JONES. Yes, the Federal office—Federal-State office—in fact, the staff was paid by the Federal Government entirely. I think that the rent was paid by the State, but the staff was paid by the Federal Government.

Mr. CASEY. When was it closed?

Mr. JONES. We checked that up. They told us that it was going to be closed last Saturday, and I asked the Federal director, if in the apportionment of his funds, if we would furnish him with 50 per cent of the expense of the office, that is, \$500 a month, if it could be kept open, and he said that they might do it, and asked us to submit a written proposal. We submitted the proposal in writing, under which the community labor board agreed to get the employers together with the idea of getting them to pay one-half of the expense of the office; and then I persuaded Mr. Edison to underwrite the expense of the office, not exceeding 50 per cent of it, for three months, so, if it is necessary for us to pay anything, we

will pay 50 per cent of the cost of running that office for three months—

Mr. NOLAN. You have read this bill, I take it, Mr. Jones?

Mr. JONES. I have been carefully studying it—

Mr. NOLAN. But you have read the bill itself?

Mr. JONES. I have not read the bill itself, but I have read the substance of it.

Mr. NOLAN. It is based upon the idea that the State should administer the agency and clear through the United States Employment Service at Washington, and, according to standards set up, standard tests—

Mr. JONES. And the setting of those tests really means direction, because they do not receive the money unless they conform to the standard.

Mr. NOLAN. Taking your statement there, that you believe that we should start in with the States, and build up from that. The bill was drawn by the representatives of the various States—

Mr. JONES. That was the conference that drew the bill; that was principally United States Employment Service men.

Mr. NOLAN. No; it was the representatives of the different States.

Mr. CASEY. Of the State Employment Services?

Mr. NOLAN. It was drawn by those who were sent by the States, representatives of the States.

Mr. JONES. They were principally representatives of the State Employment Service.

Mr. NOLAN. No; the men who were selected largely by the State councils of defense and the governors, and they drafted, or had some ideas that they put into resolutions, and this bill is the result of that. Did you know that?

Mr. JONES. Yes; I was familiar with that.

Mr. NOLAN. Mr. Bryant represented the State of New Jersey.

Mr. JONES. I think that he did. I am not sure that he was here. I do not believe that a great number of these men had ever made any great study of a creation of a business organization, or any kind of an organization, from this standpoint at all. I do not think that they approached it from that standpoint at all. They have approached it purely from the standpoint of their own experience.

Mr. NOLAN. The industrial development in the State and the responsibility is cast on to the State itself; and this bill is primarily based on the law for the vocational education—

Mr. JONES. But this bill controls that from Washington with this set of standards. The set of standards is the fundamental thing—

Mr. NOLAN. Do you think that 48 States, formulating their own rules and regulations for employment methods in the States, would be better than having one general standard set up for the country?

Mr. JONES. I think it would be the best thing for the service. It would make it possible—it would make possible the application of more individual initiative to the job of building an organization, and that is what we have in this country.

Mr. NOLAN. Do you think that any centralized authority could afford to antagonize the experience and the development of the States under this sort of a system, and proceed along narrow lines in promulgating standards and rules and regulations?

Mr. JONES. They did that, I think, more or less, in connection with the war emergency, with the war employment agency.

Mr. NOLAN. But we are now figuring on a service——

Mr. JONES (interrupting). That depends entirely upon the administration and the capacity of the men that handled it, and that is something that is pretty hard to discuss.

Mr. NOLAN. And no service could very long exist that would try to impose the will of the Federal Government or some centralized authority upon the States or dispute their authority or their wishes?

Mr. JONES. I would not think so. We have tried to get in our industries; we have tried to have this service serve the organization simply on the basis of merit. And if the organization does not want it, they do not use it. We have got to get our results entirely on a sales basis, and it has to be approached entirely on the sales method.

Mr. NOLAN. I will ask, with the hasty method of putting this service into effect during the war, has the service of New Jersey been of benefit to the State of New Jersey or a detriment?

Mr. JONES. For what purpose?

Mr. NOLAN. Taking everything into consideration, your war purposes. Take your own case in Orange, what benefits, if any, did you get?

Mr. JONES. The assistance we got was mainly that which we pulled out of it. We got assistance from it simply because it was there, and we went there and made it do things for us.

Senator WALSH. Do I understand your position to be that you believe in free employment bureaus first; and, second, that your company is willing to contribute money toward their establishment, rather than to have them fail——

Mr. JONES. At this time.

Mr. CASEY. And you would want it to eventually work up to Federal organization?

Mr. JONES. If conditions developed, but it would depend on conditions——

Mr. CASEY. But, in principle, you are in favor of it?

Mr. JONES. I do not think we are until that time. This National Association of Employment Managers sent out a referendum on the question of the United States Employment Service. Soon after that we understood that it was finally discontinued, and we did not press the matter of securing the replies; but, later on, we understood it was up again, and we attempted to get in answers, and we got in a number of replies, and I have here that situation to date. There are a number of items, but the two outstanding ones were: Are you in favor of continuing the United States Employment Service as it is now organized and operated? The vote was: For, 34; against, 371. The other one was: Are you for or against such system of employment service controlled by the Federal Government? That vote showed: For, 59; against, 229. There are a great many ideas here, and I will leave it with the committee if you would like to have it.

Mr. HERSEY. Is there any surplus of labor in New Jersey?

Mr. JONES. No; none that we are reminded of by anything happening. There is no surplus of competent or desirable labor. There is a great shortage.

Mr. NOLAN. Do you ever advertise in the New York newspapers for labor?

Mr. JONES. Not more than two or three times, and then we did in some isolated cases, for a punch press operator or something like that.

I desire, Mr. Chairman, to particularly emphasize the following points:

First, it seems to me that centralized authority with decentralized administration, to which Congressman Casey referred, has in the main proved successful where consolidations are made, and thus build up to an effective centralization of authority. Originally in such cases the centralized authority existed at the point where decentralized administration takes place under a consolidation, and a process of upbuilding is thereby followed out. The proposed Federal Employment Service would naturally be mainly a consolidation of existing State services and would be ineffective and difficult of administration until each State organization is well established. For this reason the writer believes that the best results will be secured by simply providing that little Federal attention to the subject which will encourage the States to develop by themselves. I do not think that the Federal Government should have any executive authority in that connection whatever, even through the setting of standards or otherwise at this time. A full opportunity for the play of individual initiative among the States will thus be afforded.

The second point that I wish to urge is that the proposed measure has the effect of perpetuating the present administration of the employment service, which to my mind is not desirable. I say this only after the most intimate contact with it from the top to the bottom. You have ample evidence bearing upon this point, and I therefore present nothing additional.

In the development of the question of a proper status of a national employment service, it seems to be very important to call your attention to the fact that an employment service should be clearly a "service" organization and not a regulatory agency. It should have no part in the setting or enforcement of labor standards and should be purely for the purpose of directing men to opportunities through supplying complete information. Its service should not be restricted so that it might be accused of alliance with either party to a controversy. For this reason it is not a function that is properly connected with the Department of Labor. The purpose of the Department of Labor, as I understand it, is for the representation of the interests of all labor in national affairs, and it should work directly to that end. A neutral service such as employment has two obligations to fulfill as against the one of the Department of Labor, and is therefore not properly a bureau or subdepartment of that function. Either a commission of three appointed by the President should operate the employment service when the time comes for centralized authority, if ever, or a new department of employment with a secretary having equal status with the Secretary of Labor should be established.

In emphasis of the principle of building from the bottom up instead of from the top down, let me call your attention to the linking up of the actual handling of an employment matter on a national basis. Suppose that a position is open in a department of an industry, and that department indicates the fact to the central employment office of the industry. In case this office can not fill it immediately, the need

is covered by a requisition filed by the local employment office in the community. If that office can not fill the position, the requisition is then filed with the central office of the district, which in turn passes it on to the State headquarters, and from which point it would theoretically be reflected to Washington under the proposed plan for operating a national service. This makes six agencies which must handle the transaction, and if, at the average Government speed, you will imagine a want being filled in that manner in a way that would warrant paying out good money for the service, it seems to me that the fallacy of a federally directed employment service at this time becomes clearly apparent.

I would further suggest that you study the demand for such a service. It certainly does not exist on the part of those who use it, namely, the employment managers of industrial and mercantile institutions, as the great majority of them are thoroughly disgusted with the administration during war time, and I think it will be some time before their confidence can be restored. It can only come then on a "building-up" basis, and the "building down" of the Nolan bill will simply postpone the day when a result to justify the linking together of such agencies on a national basis might be gotten, if you assume that to be the ideal.

**STATEMENT OF H. R. BRADY, NEWARK, N. J., COMMISSIONER OF
THE AMERICAN ERECTORS' ASSOCIATION.**

The CHAIRMAN. What is your name?

Mr. BRADY. H. R. Brady.

The CHAIRMAN. And your residence?

Mr. BRADY. Newark, N. J.

The CHAIRMAN. And your business?

Mr. BRADY. I am commissioner of the American Erectors' Association.

The CHAIRMAN. And do you appear for or against the bill?

Mr. BRADY. I am appearing against the bill.

The CHAIRMAN. Have you read it over?

Mr. BRADY. I have gone over it, and I understand it.

The CHAIRMAN. Will you please, now, in your own way, tell why you are opposed to the bill?

Mr. BRADY. I am opposed to the bill in principle, because the proof of the pudding is in the eating; and in my capacity as the employment manager of the Submarine Boat Corporation during the term from September 1, 1917, until May 1, 1919, we found that the United States Employment Service did not produce results. We found first that the department itself did not seem to be coordinating or functioning properly, and that the various offices scattered around the country, to whom we had to appeal for help, were not able to supply us anywhere near the number of men that we could get through other channels, and we found that in pretty near every case we had to put our own men into those offices in order to get men. I will state in general that during that time, from December 1, 1917, until May 1, 1919, we put into the yard something like 120,000 men.

Senator KENYON. How many submarines did you build?

Mr. BRADY. We were building 5,500 ton merchant ships and we had built in that time 52, an average of one a week.

The CHAIRMAN. Where was your plant?

Mr. BRADY. At Newark, N. J. Of those men from the different records that we took at the different times, we came to the conclusion that we got perhaps $1\frac{1}{2}$ to 3 per cent of our men through the Federal services, as compared with about 12 to 15 per cent from the State offices, and 85 per cent from our own efforts.

Mr. CARSS. Did you maintain an office of your own?

Mr. BRADY. We maintained an office of our own, up until about April 1, I think, in the State office, through the solicitation of Col. Bryant. We had been maintaining an office separately, about a block away, and Col. Bryant thought it would be a good idea for us to come over there—that was prior to the establishment of the United States Employment Service—and we went over there and we stayed there until we got no results, and we pulled out, and that was April 1 or March 1 of this year. Anyway, the significance of it was that only about $1\frac{1}{2}$ to 3 per cent came from the United States Employment Service, and 15 per cent from the State, and the rest of them came through our own efforts, and through our own efforts we got more than we did through the other two combined, and out of this 120,000 men, through the Manufacturers' Association, the National Erectors' Association, we secured about 25,000 men.

Mr. CASEY. How did you secure them?

Mr. BRADY. We secured them by employing the foremen. We had 28 ways in that yard. We had a foreman that came in from the various companies, and he brought his following with him. Some of these foremen went to school down at Newport News.

Mr. CASEY. And did he have the right to hire and fire?

Mr. BRADY. No; he did not have the right to hire and fire, but he had his following, and when he came there, naturally he brought these men or informed those men and the employment service functioning with them got in touch with the men.

Mr. CASEY. Where did you get the men from?

Mr. BRADY. These foremen had been in this business previously, and would bring them down here. The building of ships is similar to the construction of boiler tanks and structural building, and they were experienced in that line of work.

Mr. CASEY. Did you bring them from other shipyards?

Mr. BRADY. Nearly all of them had been going on buildings.

Mr. CASEY. Did they come from other plants?

Mr. BRADY. Well, where they were shutting down or discontinuing on account of the work.

Mr. CASEY. Then your firm did not practice scamping?

Mr. BRADY. No; our firm did not practice scamping.

Mr. HERSEY. What is that? What do you mean by "scamping"?

Mr. CASEY. That is the term used by the Government and applied to those who steal the men from the other yards.

Mr. NOLAN. And did you get them from the United States Employment Service?

Mr. BRADY. We got about $1\frac{1}{2}$ to 3 per cent from the United States Employment Service. We only got that many, despite our appeals to Mr. Densmore and Mr. Litchfield and Mr. Frankfurter. We sent them weekly requests, showing the number of riveting hands that we wanted.

Mr. NOLAN. Now, you say that the foremen had their following. Did they come to Newark to go to work for you, and did they pay their own railroad fare?

Mr. BRADY. Yes, sir.

Mr. NOLAN. All of them?

Mr. BRADY. Yes, sir.

Mr. NOLAN. Did you have any men sent to you from the United States Employment Service that came there to go to work for you where their fare was paid?

Mr. BRADY. I can recall three instances where they informed us about that, and out of those three instances I can remember one instance where they got men and paid their fares. They were at Wichita, Kans., and they informed us that they had the men there that could go to work for us, and when our representative got out there he had to get in touch with the Federal Employment Service there, the business agent of the union, and in four or five days' time he secured 17 men and brought them to Newark and paid their fare.

Mr. NOLAN. And what kind of contracts did your company have with the Government?

Mr. BRADY. What do you mean? How do you mean?

Mr. NOLAN. Were they cost-plus contracts?

Mr. BRADY. No; they were straight contracts.

Mr. CASEY. Did you have any trouble with the unions there in Newark?

Mr. BRADY. In what work?

Mr. CASEY. With union labor?

Mr. BRADY. No; we were operating without discrimination as to whether or not they were organized.

Mr. CARSS. Did you have any previous trouble with organized labor?

Mr. BRADY. No; we had none on the job, because we did operate an open shop, but the union, in September or October of 1917, started in to declare a strike, which was called off.

Mr. NOLAN. Who owns the plant of the Submarine Boat Co.?

Mr. BRADY. The Government. It is leased to the Submarine Boat Corporation.

Mr. NOLAN. Are you sure about those contracts, that they were straight out and out contracts?

Mr. BRADY. From May 1, 1918, they were straight contracts. They were to start with—I do not know the details with the agents of the Government—building up on some kind of a fee system, before May 1, 1918. After that date the contract was changed, and we took a straight contract of in the neighborhood of somewhere around \$900,000 a ship, or something of that sort—I can not recall.

Mr. NOLAN. And who paid the men that you put in the State and United States Employment Service offices?

Mr. BRADY. We did.

Mr. NOLAN. And how many did you put in the offices?

Mr. BRADY. Well, I had at one time twenty-some men out in the field and in the office. Twenty. I will say, in round numbers. They fluctuated.

Senator WALSH. And your exception to the Federal Employment Service plan is that during the war this Federal employment agency did not accomplish anything in the way of furnishing men for you?

Mr. BRADY. No; but they did for other concerns.

Senator WALSH. They did for other concerns?

Mr. BRADY. They did for other concerns.

Senator WALSH. Do you claim that there was a discrimination practiced against you on their part.

Mr. BRADY. I did not claim it at all, but you can draw your own inferences.

Senator WALSH. Did they discriminate against you, in your opinion?

Mr. BRADY. Either that or they did not function in our place.

Senator WALSH. Do you claim that there was a discrimination against you because you were running an open shop?

Mr. BRADY. Perhaps.

Mr. CARSS. Or do you claim that there was discrimination against you because you previously had trouble with your neighbor?

Mr. BRADY. Perhaps.

Mr. NOLAN. I wish you would be a little bit more definite in answering that question.

Mr. BRADY. Well, I have nothing to substantiate it. I have not a thing to substantiate it.

Mr. NOLAN. Then why don't you say so, instead of saying "perhaps"?

Mr. BRADY. Well, you asked me my opinion, and I thought it was the case.

Mr. NOLAN. And do you think that Mr. Bryant discriminated against you?

Mr. BRADY. Well, Mr. Bryant we looked upon as a State representative, and he gave us all the help that he could; and the State gave to us about 15 per cent of the men.

Mr. NOLAN. Well, who else was there in there who could have discriminated against you?

Mr. BRADY. Well, Mr. Thomas Burns might have.

Mr. NOLAN. And who was Mr. Thomas Burns?

Mr. BRADY. The Federal director or representative, the direct representative from the United States Employment Service.

Mr. NOLAN. These twenty-odd men that you had in the field, when the men that they secured reported to you, did you give the credit for the securing of those men to the United States Employment Service or did you take credit for this?

Mr. BRADY. When we got them from the United States Employment Service we gave credit to the United States Employment Service. If a man came through advertising, we would make that separately—so many to advertising. If a man came through the United States employment office, we would mark those men separately, so many men from the United States employment office, so many from the field agent, or any other source that we might get them. Perhaps some of the companies would send the men in as they could be released.

Mr. NOLAN. And all these men who were in the field were sent around as representing the United States Government?

Mr. BRADY. No, sir.

Mr. NOLAN. They did not?

Mr. BRADY. Not outside of the office; no. The men were put into the offices, and they were our representatives, as assistant employ-

ment agents, and they were put into the office. For instance, they were put into New York under Mr. Barnes, and we could not get the men; there was nobody there to attend to our matters; so we devised the idea of putting men in the office. In other words, we supplied the clerks of the office, who saw to it that they would send the men to us.

Mr. NOLAN. And who got credit for those men that they sent to you?

Mr. BRADY. The United States Employment Service.

Mr. NOLAN. The 1½ per cent—how many did they send to you?

Mr. BRADY. Yes; the United States Employment Service; I had it from 1½ per cent to 3 per cent. I have 3,600 men out of the total.

Mr. GOULD. Out of the total of 102,000?

Mr. BRADY. Out of the total of 120,000.

Mr. NOLAN. What facts, if any, have you got to substantiate your impression that there was discrimination against your firm because it was not a union shop?

Mr. BRADY. I have not got any evidence. It was my opinion from my experience, based upon the results.

Mr. CASEY. Is it not a fact that there was a bitter conflict between your firm and the union labor at Newark, a bitter controversy, in which the president of the Building Trades Council issued a statement in condemnation of the treatment by your firm of your men and the character of the work—

Mr. BRADY. I do not recall anything about that. Whether or not that was the fact, if the ships were gotten out it would show that the men were working.

Mr. CASEY. What I want to know is, Is it or is it not a fact that there was a bitter controversy between your firm and the unions of Newark, N. J., in which the president of the Building Trades Council issued a statement in condemnation of the treatment by your firm of your men and the character of the work there?

Mr. BRADY. I do not recall anything of that kind. I might refresh my memory and see if any such thing exists.

The CHAIRMAN. If you like, you may put a statement, Mr. Brady, into the record, a supplemental statement, if you so desire.

Mr. BRADY. I perhaps would like to put in some letters that bear upon this, if I may.

STATEMENT OF H. H. SNELL, APPEARING ON BEHALF OF THE LUMBERMEN.

Mr. SNELL. Mr. Chairman. I am chairman of a committee composed of me as chairman and Guy I. Buell and George W. Ward, here for the purpose of protesting the suggested legislation for the permanent establishment of a Federal Employment Service.

In submitting these observations it is our earnest desire to make plain the fact that we recognize the grave and earnest need of doing everything possible to ameliorate labor conditions wherever necessary. We also recognize that growing out of the war new problems confront the Nation and that hereafter the personal equation of labor must be taken into account. We would not wish this committee to understand that it is our desire to in the least obstruct any program

that has for its purpose a plan that will be helpful to labor and create more satisfactory conditions as between employee and employer.

In the South, however, peculiar conditions confront the employer, and this especially in the lumber industry. Our labor is largely colored. We feel that those who employ this labor are better positioned to understand the problem than those who may come from the outside, and in making this suggestion we do not wish to be understood as indicating that it is our purpose to work a selfish will on this class of labor. We are familiar with conditions and can better work out the problems if our effort is not confused by those who are necessarily uninformed.

The committee presenting this protest is composed of representatives from the various producing regions of southern pine territory, comprising Georgia, Florida, Alabama, Virginia, North Carolina, South Carolina, Arkansas, Louisiana, Mississippi, and Texas. It is our thought that in submitting our views in brief written form and filing same with the committee that we can better serve our purpose than by taking up time in oral presentation.

The Federal Employment Service plan injects the Federal Government into local and State problems. Without undertaking to present this phase of the problem from a purely legal standpoint, it is proper to call the committee's attention to the fact that the employment-service plan is a distinct departure from the traditional policy of our Federal institutions. Heretofore, it has been recognized and accepted that the various States had complete dominion over their purely domestic matters. The bill under consideration proposes to establish Government agencies within the boundaries of States, and these agencies are to be authorized to handle the most vital element within the social body, to-wit: The question of labor. No greater interference with State affairs could be considered than this character of activity.

It is urged that this phase of the program should be given thoughtful consideration by Congress, to the end that we do not drift too far from constitutional landmarks. It is a very grave question as to whether Congress has the right to appropriate the people's money to an activity that is utterly foreign to any recognized constitutional authority.

If it be urged that the service here contemplated does not invade the State's domestic problem, it is proper to call attention to this angle: When the Government of the United States undertakes to establish within State boundaries business agencies—which agencies deal with so vital a problem as labor—then it must be plain that the Government is injecting its Federal authority into a field of domestic right not contemplated by our form of Government.

Take, for example, this situation: In many of the States, and this especially in the South, laws exist whereby employment agencies that move labor from one State to another are required to take out a license for which a heavy fee is exacted, in some cases as high as \$5,000. When the Government undertakes to establish employment agencies, it will have to subscribe to the legal requirements provided by the State. Does not this suggestion throw into the foreground the definite thought that this is a purely domestic problem?

In considering the racial problem and matters of this character, it seems eminently proper that your body should thoroughly consider

the racial difficulties under which we people in the South constantly labor. This is one of the problems which we constantly have before us, and one which requires of us constant study and consideration.

We believe that we understand the negro; his peculiarities and his requirements perhaps better than the people who have not lived with him, and we believe also that in order that we may live peacefully and satisfactorily with the negro, it is necessary that we deal with him in a manner somewhat different from what it has been the habit of the men in the North to deal with his more intelligent labor. The employers in the South have learned, and are still learning, the necessity of making the negro not only a workman in our service, but also that we must study his condition and its possible improvement, and we ask that we be allowed to continue to study these conditions that they may be improved, and we believe and ask that in settling and adjusting this question, which is vital to the South, that we do not be interfered with by men who have no knowledge of the subject and who would interfere with the progress of the negro element much more than they can possibly forward it.

It would be erroneous to conclude that the plan would in nowise tend to disturb our labor problem. Once the Federal Government goes into this business the negro labor of the South would look upon it as a plan of special dispensation, and it will be productive of confusion and resultant ill will. The theory will find lodgment in the minds of these simple people that in some way the Government of the United States is their special champion, and a wedge will be driven between the employer and his employee. Anyone at all familiar with this condition will at once recognize the truth of this statement.

We fully appreciate that it is not the wish of Congress to produce these evil results. Congress, however, is venturing on a very dangerous program when it undertakes to put in effect the plan here contemplated.

Now, in regard to shortage of jobs. We also believe that there is no need of Federal employment bureaus in our section of the country and in consequence no need for the expense thereof. The Nation is facing a period where it should exercise the strictest economy in order that we may bear as easily as possible the burdens which the war has placed upon us. The lumber industry of the South at this time feels that it has no need for Federal labor bureaus, believing that we can handle the situation satisfactorily, not only to ourselves but to the men who are or may be looking for employment. There exists no scarcity of jobs in our territory. There is a great scarcity of labor in the lumber manufacturing industry of the South. We know of no sawmill operation that has a full supply of men at the present time.

In so far as the returned soldier is concerned, those who have come back into our locality and are not already employed are those who, justly believing they have earned a right to a rest, are taking it, and will soon be employed in situations to their liking. It is the sentiment of the manufacturing lumber industry of the South that every soldier who gave his time and his courage to his country in its need shall not only be given a job but a chance that shall be a reward for his fearless service.

Now, a word as to how the plan works. We recognize that conditions during the war is not a proper guide. However, it is proper to

call attention to the fact that during the war period the Federal Employment Service frequently operated so as to take labor that was needed in one field and diverted it to another field where such labor was utterly unfitted. This result was due to lack of understanding. This condition would undoubtedly recur if the plan was made a permanent program.

In addition to the above, sections of the South have been practically depleted of labor through the functioning of this agency. It may be said that this was due to war conditions, but since the armistice the labor that was taken from the South has not been returned through the agency of the Federal Employment Service, and this in face of solemn assurances that when the war need was over the labor would be returned.

This phase of the problem is presented that it may be shown that the service has not been well balanced in its operation and has tended to disturb and destroy rather than build up and help.

There is submitted herewith two sets of resolutions—one from the Georgia-Florida Saw Mill Association and the other from the North Carolina Pine Association. Both of these associations cover in their membership a large group of representative lumber manufacturers, and the resolutions clearly indicate the sentiment of lumber producers. There is also submitted a statement from John H. Kirby, president of the National Lumber Manufacturers' Association. Mr. Kirby's thought is manifestly in point.

Resolution adopted by the North Carolina Pine Association, June 24, 1919:

That a longer continuance of the United States Employment Service, under existing circumstances, in our judgment, is neither necessary nor desirable, is futile and was wasteful, and instead of increased appropriations, which the service is asking for its continuance, the best interest of the country and of all industrial organizations will be subserved by permanently discontinuing such service.

Resolution adopted by the Georgia-Florida Saw Mill Association, June 20, 1919:

Whereas the United States Employment Service Bureau has outlived its usefulness, if it ever had any; and

Whereas, so far as the States of Alabama, Florida, and Georgia are concerned, this bureau has fallen far short of conserving the purposes originally designed for its mission in these three States: Therefore be it

Resolved by the Georgia-Florida Saw Mill Association in regular meeting assembled, That we favor the abolition of this bureau and urge the Senators and Representatives in Congress to oppose any further appropriation for the maintenance of the same, upon the ground that it has been more of a detriment to labor in these States than otherwise, chiefly because it has failed of its original mission, and, in some cases, prostituted to sinister purposes: And be it further

Resolved, That this association wishes to go on record as favoring a well and properly directed bureau for finding employment for returned soldiers and sailors, to the end that they may be aided in every possible way to find employment throughout these and other States, and, that we urge the reinstatement of all returned soldiers and sailors by their former employers wherever and whenever practicable and agreeable.

The following is the statement of John H. Kirby:

There is absolutely no Federal authority for the maintenance of such a bureau as this. Congress has no control of employments in the States. The Constitution forbids it and the Supreme Court has had to set aside numerous enactments of Congress, notably the child labor law, because any effort on the

part of Congress to control conditions of employments in the States is an invasion of the reserved rights of the States under the Constitution, and is therefore an attempt at usurpation. The members of Congress take an oath to support the Constitution and they ought to obey that oath. They have no right to appropriate the people's taxes, gathered by Federal taxgatherers, for any but a national purpose under the Federal Constitution.

But aside from this very sound and very proper constitutional reason for opposing this piece of legislation, it ought to be resisted because it is a piece of meddlesomeness that accomplishes no good, and only tends to stir up strife and create friction in every community where Washington has tried to establish these employment bureaus. The sooner Washington gets it out of its head that the people of this Republic want to change the Constitution and create in Washington a strongly centralized power for the control of the local affairs of the people, the sooner will tranquillity and order result. The American people are thoroughly tired of these usurpations on behalf of Washington. This is true of both Democrats and Republicans.

Another thing: This employment service is a mere proselyting agency for the American Federation of Labor, which discriminates every day against the great agricultural masses of the country, and that of itself ought to be sufficient to warrant the Congress not to attempt further trespass upon the reserved rights of the States.

It is a matter of supreme regret to me that my engagements are such that it is impossible for me to come to Washington for the purpose of assisting you in resisting this piece of legislation.

We respectfully urge that the matters here submitted be given due consideration by your committee.

In conclusion this suggestion: There is nothing selfish in this protest nor is there any ulterior motive. The basic purpose of the bill is one of service to industry. Manifestly, if the lumber industry of the South believed that the working of the plan would result as intended, the plan would be welcomed. However, due to the bitter experience of the past, we know that it would be a grave mistake for the Government to establish agencies for the purpose as outlined in this bill.

(Thereupon at 12 o'clock noon, the hearing adjourned to 10 o'clock a. m., July 16, 1919.)

NATIONAL EMPLOYMENT SYSTEM.

WEDNESDAY, JULY 16, 1919.

SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m. in room 201, Senate Office Building, Hon. J. M. C. Smith, presiding.

Present: Senator Kenyon; Representatives Smith (chairman), Hersey, Gould, MacCrate, and Casey.

Also present: Dr. Geo. W. Kirchwey, former dean of the Columbia University and former Federal Director of New York United States Employment Service; Thomas C. Atkeson, representing the Patrons of Husbandry; Edward A. Lycett, Washington, D. C., employment manager for the Washington Steel & Ordnance Co.

The committee continued consideration of the Senate bill (S. 1442) to provide for the establishment of a national employment system, and to provide for the cooperation of the States in the promotion of such system, and to regulate the expenditure of money that shall be appropriated for such service; and the Senate bill (S. 688) to provide for a national employment system; and House bill (H. R. 4305) to provide for the establishment of a national system and for cooperation of the States in the promotion of such system, to regulate the expenditure of moneys that shall be appropriated for such purposes.

STATEMENT OF DR. GEORGE W. KIRCHWEY, NEW YORK CITY, FORMER DEAN OF COLUMBIA UNIVERSITY, AND FEDERAL DIRECTOR FOR THE STATE OF NEW YORK OF THE UNITED STATES EMPLOYMENT SERVICE BUREAU.

The CHAIRMAN. Give your name to the stenographer, please.

Dr. KIRCHWEY. George W. Kirchwey.

The CHAIRMAN. And your residence?

Dr. KIRCHWEY. New York City.

The CHAIRMAN. And your profession, Dr. Kirchwey?

Dr. KIRCHWEY. I am by profession a lawyer and a professor of law. I was for many years dean of the Columbia University, located in New York City, and for nearly a year now I have been connected with the United States Employment Service for New York State; since the 1st of January Federal director.

The CHAIRMAN. We will be very glad to hear from you, Dr. Kirchwey.

Dr. KIRCHWEY. Thank you.

Mr. HERSEY. Does that include the whole State of New York, Dr. Kirchwey?

Dr. KIRCHWEY. I will come to that. I had, before becoming Federal director, since the 1st of August last year, been assistant Federal director, and during that earlier period, before I became Federal director, I had particular charge of all the up-State work, outside of New York City, and since that time I have had administrative control of the entire service in New York State.

Now, Mr. Chairman and gentlemen, I come, naturally, in support of the measure that you have before you. I think I may say that my official connection with the United States Employment Service has nothing to do with my attitude, excepting in so far as my experience in the service has given me a certain amount of knowledge and some definite impressions as to the labor situation. I came into the service as a citizen, to do my piece of war work, and I stayed on because the war work in the United States Employment Service is not yet over, and there has been no opportunity for me to return to my normal and steady vocation. I wish it understood that I am not a Federal employee, that I have no interest in the service whatsoever, and I have no future in the service to serve—no ax to grind. I knew very, very little about labor conditions or the employment business or the needs of it until I became connected with the service.

Mr. GOULD. In other words, you had had no previous experience?

Dr. KIRCHWEY. In other words, I had no previous experience in the employment work. My only connection with labor had been that I had been on various occasions a member of the board of conciliation by appointment of the mayor of New York in the garment workers trades, along with Justice Brandeis and Judge Noyes, and Dr. Felix Adler, and other men whose attitude toward labor was disinterested. I have never been a union man, and at the time that I was with the Columbia University it was impossible for me to have become one. I understand that the professors are unionizing up there now and that they may become affiliated with the American Federation of Labor, but at that time there was no union, and it would have been impossible for me to have become affiliated with the union.

Mr. HERSEY. Have you ever written any books on the labor problem, Doctor?

Dr. KIRCHWEY. I am very sorry to say that I never have. I am prepared to write one.

Mr. HERSEY. You are preparing to write one?

Mr. MACCRATE. You have written a very good book on mortgages.

Mr. HERSEY. And you are preparing to write one on the labor problems?

Dr. KIRCHWEY. No; I say I am prepared to write, but I do not know that I will get to it.

Mr. MACCRATE. As I say, you have written a good book on mortgages.

Dr. KIRCHWEY. I have written a book on mortgages, and I am very glad to have this tribute to my editorial capacity by one of my former pupils.

Mr. GOULD. And Mr. Jones wrote a good one on mortgages.

Dr. KIRCHWEY. Yes; Mr. Jones wrote a very excellent book on mortgages.

Senator KENYON. Have you been active in politics, Dr. Kirchwey?

Dr. KIRCHWEY. I have not been active in politics. My only connection with politics has been as an associate with Col. Roosevelt in the creation of the Progressive Party at Chicago in 1912. I was on the committee on resolutions and the committee which adopted the platform.

Senator KENYON. You evidently, then, were not appointed on account of your politics, were you?

Dr. KIRCHWEY. I do not believe that I was. I might add one other thing: That while I was absent, taking a leave of absence from my duties in the Columbia University, and I was in Switzerland, I was notified by cable that I had been nominated to the position of judge of the Court of Appeals of the State of New York on the Progressive ticket. It did not worry me very much. I did not want to leave my work at Columbia to go to Albany, but that did not worry me very much.

Mr. HERSEY. Well, you stood for the nomination, did you not?

Dr. KIRCHWEY. I accepted the nomination, and I enjoyed it very much.

Senator KENYON. Was that after or before the time that you were elected warden of the Sing Sing Prison?

Dr. KIRCHWEY. That was before I was elected warden of Sing Sing Prison. My first intimate connection with the labor problem was as warden of the Sing Sing Prison, when I tried to solve the problem. We did not need an employment service at that time, but we did need something else that we did not get. Now, Mr. Chairman and gentlemen of the committee, my views with regard to the employment service are that, essentially, the business is very local business. I found that wherever we attained gratifying results during the war and at the conclusion of the armistice in New York State that our success was in proportion to the extent which he had enlisted the cooperation of the community. New York State was divided into 14 industrial districts, which was presided over by a community labor board, consisting equally of representatives of labor and of employers of the district, recommended usually by the chambers of commerce or at a meeting of the employers of the district, and a chairman who was appointed by the Federal director, who was supposed to represent the public and not in the interest of either the employer or of labor. Usually he was a manufacturer or a banker or a judge, as in the case of Judge Sutherland, of our State supreme court, at Rochester; and every problem affecting the relations of capital and labor, in so far as the employment service was concerned, was determined by the community labor board; and in every part of the State, in the beginning, it was my policy in every situation that arose in that district to go to the community labor board, which was more familiar with the situation than I could be, and we developed a remarkable sense of local responsibility and of local conditions throughout the State outside of New York City.

There was a situation during the year when we were straining every nerve to find men for the war industries, and when I spread a comb in the up-State districts to find men for the more essential industries, especially the shell-loading plants, when the Buffalo community labor board paid me a formal visit in my office in New York City and told me that if I would let them alone they would handle the employment situation in the Buffalo district without the help

of or interference from me. In other words, they felt that it was their job and that they were perfectly capable of handling it, and after the armistice was signed, they thought that they were capable of taking care of the returning war workers and the returning soldiers. In other words, I had almost attained the ideal of complete administrative efficiency in getting somebody else to do the work throughout the State of New York outside of New York City. I strongly feel, therefore, as a result of that experience, that the local employment problems can be best handled by the local community, the municipality, the people familiar with the immediate local conditions.

Mr. HERSEY. Then that would do away with the necessity for a Federal employment agency, would it not?

Dr. KIRCHWEY. No; not necessarily; and there would be a function for a centralized agency outside of that.

Mr. HERSEY. And could not that be done by the one inside of the labor bureau, of which Mr. Arthur Woods has charge?

Dr. KIRCHWEY. I was coming to that, and I will be glad to refer to that later on, with your permission.

Mr. HERSEY. I wish that you would.

Dr. KIRCHWEY. In order that the work of the localities may be stimulated, because comparatively few municipalities have made provisions for or any provision for a local employment service, it seems there should be a State service that shall coordinate in local employment bureaus with the State and supply from the State bureaus where the local bureaus do not exist to an adequate degree of efficiency or with adequate efficiency. It seems to me that the State employment service is essential to coordinate the work with the municipal.

Mr. HERSEY. But you have a State organization, have you not?

Dr. KIRCHWEY. Yes; we have a very good State organization. It was very small before the war, and it was taken over by the Federal service during the war period, and it was all operated as one system during the war and for some months after, and now, under the impulse of the Federal service, which has been very great, has been stimulated; and the legislature has made a larger appropriation practically to tide over the period when the Federal service was reduced by the failure of appropriation, and partly because of the discovery made by the State authorities that a real, widespread service is a matter of necessity.

Mr. GOULD. Will you please touch for two or three sentences, Dr. Kirchwey, on the industrial commission of the State of New York and the advisory council of New York State, showing how those relations are handled? I presume that you have a knowledge of that.

Dr. KIRCHWEY. Yes; we have in New York State a State industrial commission, which is charged, among its many other duties, with the duty of maintaining the State employment service, or bureau, as it is called. That bureau was very small at first, and it only had five offices in the entire State prior to the institution of the Federal employment service. Now, I had been called upon from time to time, to avoid wasteful competition, to turn over to the State, as its resources were enlarged by the legislature, the up-State offices, and to-day the State controls nearly all the up-State offices and some of the New York City districts. My policy has been from the begin-

ning, and I understood that I was authorized to do that, to turn over to the State the actual employment service just as fast as the State developed financial and administrative means for accomplishing the work. Now they are doing it exceedingly well; they are doing that work exceedingly well; and they have taken over our offices and maintained the entire personnel at the expense of the State. This State industrial commission assigned one of its members, Mr. Henry D. Sayer, who was Federal director up to the middle of October last, who was taken over by the Federal Government from the State service for that purpose—the State industrial commission has assigned Mr. Henry D. Sayer as commissioner in charge of the State employment bureau, and that bureau is assisted by the advisory council selected by employers and employees throughout the State, which duplicates the State advisory board which I have had to assist me and which my predecessors had to assist them, and this is a most interesting fact, I am sure. It is made up of substantially the same persons, so that we work at perfect harmony and in complete cooperation.

Mr. GOULD. And the matter of friction, so-called, between the employers and the organization of employees has practically been reduced, has it not, to the minimum?

Dr. KIRCHWEY. It has reduced so far to a minimum that I have been unconscious of the existence of any friction either between the employer classes and employing classes, or between the State service or the Federal service in New York City, and may I add here, as perhaps it may be as relevant here as anywhere else, that in my entire service I have not found the slightest indication of anything other than the strictest neutrality between capital and labor, employer and employee, in the administrative authority of the State or Federal service in New York State. There has never been a question before the community labor board in the State that was not decided by a unanimous and united vote. There has been no question but has been decided by the united and unanimous vote of the employees and the employers on the board, and the same thing was true of the State advisory board.

The CHAIRMAN. Has there been any effort that came under your observation to stimulate organized labor or labor unions?

Mr. KIRCHWEY. Absolutely none, Mr. Chairman, and if there had been I could not have failed to know that, because I was at the center to which all complaints of every kind were directed. Again and again some of the most conservative members of our community labor board would come to me and confer with me and make certain complaints. Some of them did not like the regulations put on by the department in regard to what should be done in the case of a strike or lockout, and again and again I asked them whether there was, in their district, anything like preference shown to organized labor or any attempt to unionize the plants, and they used to laugh at me, and they would say, "We would like to see them try anything of that sort in this district."

Mr. GOULD. The State organization or the municipal organization would not stand for anything of that kind?

Dr. KIRCHWEY. The State organization or the municipal organization would not stand for anything of that kind.

Mr. CASEY. Was the service used, so far as you could ascertain, in any way for political purposes?

Dr. KIRCHWEY. It was not used in any way for political purpose, and it could not have been used for political purposes because of the fact that I think nobody knew what the politics were of the people who represented the service, either locally or at headquarters. I think there has always been so much doubt as to my politics that nobody could have made a shrewd guess of what they were, and it would have been very difficult to have built up a political machine. This was all subsequent to the collapse, if I may so call it, to the Progressive Party; the Progressive Party had been merged into both of the old parties, and it has been merged into both of the old parties now, and I suppose I belong to both of the old parties, as I have been merged along with my Progressive Party. There has been absolutely nothing in the nature of political influence emanating from any part of our service so as I could discover it.

Senator KENYON. But you have not changed your progressive views, have you?

Dr. KIRCHWEY. Well, I do not know of a progressive who has. Senator.

Mr. MACCRATE. In fact, Dr. Kirchwey, was there not some complaint to the effect that the politicians could not use the department in New York State?

Dr. KIRCHWEY. Well, I have never heard of any such complaint. I think if there was any disposition to use the service for political purposes, they would find that it was so evenly balanced that they neutralized one the other.

Mr. MACCRATE. But was there not some complaint that the politicians could not use the department in New York State?

Dr. KIRCHWEY. Well, I never heard any such complaint, and I imagine a good many regretted that they could not. It was absolutely neutral and nonpartisan and disinterested in the performance of a public service, as any public function could be. That was as far as New York was concerned. I have heard terrible remarks about conditions elsewhere from interested parties, one way or the other, but I have not thought that it was any of my business, and I have not investigated.

Now, Mr. Chairman and gentlemen, with regard to a Federal service. I think the question naturally suggests itself to anyone who comes to the problem for the first time. "Why is not this combination of municipal and State services adequate to answer every purpose?" Well, it will be adequate to answer the purpose just as soon as our municipalities and our States have reached that stage of development when they realize the importance of it to the point of making adequate appropriations and instituting an adequate administration to carry that thing out. It is primarily and essentially a local business. One of these days our municipalities are going to conduct uniform employment services and the States are going to coordinate the services, but I think that time is far distant. Only nine of our States have made anything like adequate provision—

The CHAIRMAN (interrupting). Don't you think they will make more progress if they are let alone without any interference on the part of a Federal bureau?

Dr. KIRCHWEY. I do not know what is the stronger motive, whether an example of what might be done, a visible demonstration of the service that the State can form, or will they fall behind industrially because they have not a service. I am inclined to think that the former is the better, because we do not learn very easily from experience.

The CHAIRMAN. And now, will you tell us, what would be the benefits derived from this service in New York State?

Dr. KIRCHWEY. From the Federal service, do you mean, Mr. Chairman?

The CHAIRMAN. From the Federal service. What would be the benefits derived from the Federal service to you in New York State? You say that it is a local matter, and I want to see how the bill, the subjects provided for in this bill, would be of any benefit to you in New York State.

Dr. KIRCHWEY. In that community—

Mr. HERSEY (interrupting). In other words, in what way would the Federal service be of benefit to New York State in times of peace? In other words, what benefit would the Federal service be to New York State in times of peace?

Dr. KIRCHWEY. Provided they had no State service?

The CHAIRMAN. No. I mean now, with the State service.

Dr. KIRCHWEY. We should have no Federal service actually administering in New York State, for New York State made adequate preparation and provisions and appropriations to maintain a State service. There should be no Federal State direction, in my opinion—there should not be a single Federal director in New York State.

Mr. HERSEY. And is that true of every other State?

Dr. KIRCHWEY. I think it is true of every State, when every State reaches the state of development where it will be willing to provide for an adequate State service.

Mr. GOULD. You referred to 9 States which you said had adequate State service. Will you name those 9 States?

Dr. KIRCHWEY. I am rather generous in saying that the nine have made adequate provision, because I do not think in any case that the provision is really adequate. They are: California, Illinois, Indiana, Massachusetts, Michigan, New Jersey, New York, and Ohio.

Mr. HERSEY. Are you intentionally leaving out Maine?

Mr. GOULD. I had an idea that Pennsylvania had an organization, but I am not sure.

Dr. KIRCHWEY. In the memorandum which has been furnished me from the department, Maine appears to have made no provision for employment work.

Mr. HERSEY. Well, you are wrong.

Dr. KIRCHWEY. Am I wrong in that? Now, I am going to add some others that have made inadequate provision—

Mr. HERSEY. Maine has raised thousands of dollars for employment during the war—

Dr. KIRCHWEY. But it was just as a war emergency.

Mr. HERSEY. But there have been others—

Dr. KIRCHWEY. Did the legislature make provision for the purpose—

Mr. HERSEY (interrupting). Yes, sir.

Dr. KIRCHWEY (continuing). To establish a State service?

Mr. HERSEY. It has always had a certain service.

Mr. HALL (Assistant Director of United States Employment Service). Are you sure that the State of Maine has always had a service? All our figures show that you have not. It has a provision there for a commissioner of labor that might carry employment matters, but they have never been carried out, according to our statistics. There is a provision for licensing employment agencies—

Mr. HERSEY. We have a State law allowing the employment agencies and licensing them.

Mr. HALL. But that is not free. It has no free employment agencies.

Mr. HERSEY. No.

Dr. KIRCHWEY. I am speaking only as to the States furnishing free employment service. I beg your pardon. In addition to the nine States that have made fairly adequate provision, seven States—

Mr. HERSEY (interrupting). I understand that you state no matter what the State has done in the way of passing legislation in regard to licensing free employment agencies, no matter how efficient those laws are, it is inadequate—

Dr. KIRCHWEY. Why, I feel that the employment business must not be left to the fee-charging agent, no matter how careful the supervision may be, because I feel very strongly that it is an unjustifiable hardship, and is a hardship upon the seeker of a job and the employer to make him pay for it.

Mr. HERSEY. But this bill provides that the State shall furnish the money for carrying on the employment agency and the Government shall duplicate it. In any case, it comes out of the pockets of the taxpayers.

Dr. KIRCHWEY. I think that it ought to come out of the pockets of the taxpayers. I do not think that we ought to tax the workman for the purpose of finding out—

Mr. HERSEY (interrupting). And would you tax all for the benefit of the employers in order that he could get a man for a job?

Dr. KIRCHWEY. Well, he pays the major part of it in the tax levied on him for the purpose of maintaining the service.

In addition to these nine States that have made fairly adequate provisions, there are seven States which have made inadequate provision, but have made a fair beginning. Colorado, Connecticut, Kansas, Kentucky, Minnesota, Oklahoma, and Rhode Island. The amounts appropriated in most cases are so insignificant that no employment service could be provided even if the sums are duplicated by the Federal Government—that no real employment service could be maintained. In Connecticut, for example, that State appropriates \$12,500.

Mr. GOULD. May I ask a question right here? What can you tell us as to the sentiment of the movement which permitted these additional States to inaugurate an employment industrial system. I want to get an idea of the trend of that, and who inaugurated before the separate State legislatures the demand for such legislation. Are you acquainted with that?

Dr. KIRCHWEY. I am vaguely acquainted with it. It seems to have originated as a kind of a social uplift movement among the people who made a study of the labor problem and who have been distressed

by the pictures of the thousands of men gathered at the factory gates, most of whom have been turned away again, when everybody knows that there may be work for these men in some other community or in some other State. There is a very strong sentiment setting in in favor of a public employment agency maintained by the State.

The CHAIRMAN. Have you made any research, or have you any information which you have gained from your experience and knowledge of labor matters so that you can tell us the need of a Federal employment bureau?

Dr. KIRCHWEY. I was just coming to that——

Mr. HERSEY (interrupting). You say that there is a sentiment everywhere for free employment agencies?

Dr. KIRCHWEY. There is a growing sentiment for them.

Mr. HERSEY. And if you had no Federal employment agency, would not there be still that sentiment?

Dr. KIRCHWEY. I do not think so. I think it has been stimulated during the last year and a half more than it would have been in 10 years without the employment agency.

Mr. HERSEY. But you are not trying to claim that the experience of the employment agency in time of war is applicable to time of peace?

Dr. KIRCHWEY. I think that it is. It shows what can be done in bringing the men and the job together.

Mr. HERSEY. But it is not the same kind of a man, nor is it the same kind of a job.

Dr. KIRCHWEY. That may be true. But it does show what can be done; it shows a picture, a vision——

Mr. HERSEY. Well, if you see visions, I am through.

Dr. KIRCHWEY. Well, we all see visions. We have been functioning since the armistice was signed, and we are setting again an example to all the States as to what can be done.

Mr. HERSEY. But the signing of the armistice did not settle the war problem at all.

Dr. KIRCHWEY. It did not; but it has created what is more nearly a normal condition.

Mr. HERSEY. But demobilization is going on, and it keeps the necessity of your war service; it keeps that department going at the present time.

Dr. KIRCHWEY. To a certain extent; yes.

Mr. HERSEY. We passed an appropriation to continue this agency on account of the fact that the war service must be attended to.

Dr. KIRCHWEY. There is no doubt about that. We are continuing to demonstrate in the several States that a generous appropriation for an employment service—what it does toward the service of bringing the man toward the job, the man and the job together. There is either a surplus or a shortage of labor, and under those conditions either the employer, or account of shortage, or the workman, in the case of surplus of labor, is benefited, and we are making a daily demonstration of the fact that there is a function within the State that the State could adequately perform and is more educative than it would be to leave the State to drift into or be guided by impulse.

But there are two specific reasons why, in my opinion, the Federal service is necessary. One of them I have already referred to; that is, to supply the lack and furnish an example in the State. The

majority of the States, as you see, are not yet ready to take the matter up, are not doing anything, or anything they are doing they are doing quite inadequately. This is a vast country, and we can not leave a serious problem like that of the equalization and distribution of labor to be dealt with in just a hit-and-miss fashion by nine States scattered from California to Massachusetts. The problem is a nation-wide problem, if not a national one.

In the second case we need a Federal service for the purpose of giving labor the requisite mobility, so that it may be attracted to fields where it is needed and drawn away from fields where there is a surplus of labor. That is not bounded by any State lines any more than it is by municipal lines. Take New York City, which is an exaggerated example, because New York City is recognized as being the great labor market, but it is true of Chicago, Boston, and true of the other large cities—we have been in constant touch in New York City with the representative of the Department of Agriculture in St. Louis with regard to the needs of men to reap the wheat harvest, and we have been supplying hundreds and hundreds of men and shipping them to the points where we have been advised from time to time that they are most needful.

Mr. HERSEY. Who made application for these men?

Dr. KIRCHWEY. The Department of Agriculture sent a man to confer with me, and he told me in a general way where the men were needed. The Secretary of Agriculture knows where the men are needed to harvest the wheat from Texas to the Canadian border. For instance, yesterday I got a telegram not to send any more men to Kansas or to Nebraska, and while we have been doing that ever since the declaration of the armistice, we have been sending weekly hundreds of men to Newport News, where the great Government work is going on, and we are supplying men for the Emergency Fleet Corporation all the way along the Atlantic coast, Hog Island, Camden, Maine—there is scarcely a State this side of Mississippi where this will not apply. We have been engineers there, high-grade men, recently to Detroit, to Fort Wayne, Ind., to enter the automobile and other works. In other words, something in the nature of a clearing house of labor between the States is absolutely essential in any time of stress. In times of stress there is almost continuously either a labor shortage or a labor surplus, but in either case labor should be distributed through some agency that is equipped so that it can take a bird's-eye view of the situation in the country.

Mr. GOULD. I would like to ask you one fundamental question, if you please. Suppose a farmer in Kansas has a thousand acres of wheat and he wants 25 men in order to harvest that wheat, how would his application come to the Federal service?

Dr. KIRCHWEY. His application would go to Washington, if he is well advised—

Mr. GOULD. But suppose that he is not well advised. Suppose he does not know of the existence of the Federal service or of the system.

Dr. KIRCHWEY. If he knows of the existence of the Federal service, he will apply to the nearest office, the Federal director in Kansas, and he would communicate with the Director General at Washington and say, "We need a certain number of men for our locality; where can we get them?" Now, then, comes the data that he has been collecting; he will refer to that and will tell him.

Mr. GOULD. And he would get them from the lowest possible transportation to the point where they are needed; but the thing I wanted to get in my mind was your idea in regard to the functioning of the system and what was the most compact manner in which it might be designed and arranged, so that those requiring labor could get their supply.

Dr. KIRCHWEY. If a farmer knows—but a farmer is not apt to know of the existence of the Employment Service as the ordinary city workman—but he has been in touch all the way along with the Department of Agriculture here in Washington. In the State of New York they know Cornell University and the department of agriculture there, and they communicate direct with Cornell, and Cornell would communicate directly with the State employment service. We may not be able to supply the men, but we know, through Washington, that there are men in New Jersey or Connecticut or Massachusetts—

Mr. GOULD. I see.

Dr. KIRCHWEY (continuing). But we have got to have some centralized office in order that that information may be gathered and distributed.

Mr. GOULD. Really, so far as the farm requirements are concerned, the farmer would turn toward his State agricultural department.

Dr. KIRCHWEY. Yes, sir.

Mr. GOULD. Which pretty nearly every State has?

Dr. KIRCHWEY. Yes, sir. We have in our farm bureau, which was established to meet the growing needs of the farm and farm labor. At one time I had as many as 3,000 applications for farm hands. We notified the Federal directors of New Jersey and New York City to send men, and they sent men who came and sat in the office and interviewed the applicants, and we have been able to supply a lot of men to the adjoining States, and we are constantly getting bulletins from Washington advising us of the needs of the various parts of the country, and those needs are communicated to the one in charge of the New York City office and they are communicated to Mr. Sayer, and he sends it up-State to the State offices, and in that way we are able to present a unified front to the enemy. Do you know anything about the application or request from the Submarine Boat Co., of Newark, for men to enable them to go on with their work?

Dr. KIRCHWEY. Yes, sir.

The CHAIRMAN. Please tell us about that.

Dr. KIRCHWEY. The Submarine Boat Corporation has been one of our real troubles in New York during the war period. We supplied them with a good many men, and we gave them an opportunity—gave them desk room in our offices in New York City or up-State, realizing as we did the importance of the work that they were doing; desk room for the man they chose to assign to that work, in addition to surrounding them with information, they took advantage of that offer, and we found that while we supplied them 10,000 men—I do not know how many—they were constantly before our eyes, we found a great deal of difficulty in inducing men to go to the Submarine Boat Co. The men living in New York City had to add something like 35 cents a day in carfare in going back and forth. There were no living conditions for them there in Newark, and they had to add that much to commute from New York to the work, and that made a

deduction of several dollars from their weekly wages, and the wages paid were always a little bit lower for the same class of men than what they could get elsewhere. Thousands of men refused to go there, principally the riveters, and the riveters would prefer to go farther and get better wages and, as they said, better treatment. The Submarine Boat Co. did not stand very well with the laboring classes, and there was a strong feeling against them, which I always suspected was well founded.

I received yesterday, quite without any expectation or knowledge that the question was to come, a letter from Mr. Henry Moskowitz, industrial consultant of the Submarine Boat Corporation. I think it is a duplicate of a letter which was sent to you, Mr. Chairman, or at any rate it is a copy of it.

The CHAIRMAN. We will be glad to have you read it into the record.

Dr. KIRCHWEY. It reads as follows:

NEW YORK, July 14, 1919.

HON. JOHN W. C. SMITH,
Chairman Joint Labor Committee, Senate and House,
Washington, D. C.

MY DEAR SIR: In my capacity as industrial consultant I have had opportunities to observe the workings of the Federal Employment Service, and I have found it extremely cooperative, bringing good results.

The principle of such a Federal Employment Service should be the establishment of uniform, efficient labor standards throughout the country in coordination with the State and municipal agencies.

I am in favor of a dollar for dollar appropriation by the Federal Government to the State services, such appropriation depending upon the amount provided by the various States.

The Federal service can also establish a clearing house for the mobilization and coordination of the labor supply wherever practicable.

Very truly, yours,

(Signed) HENRY MOSKOWITZ,
Industrial Consultant.

Now, the pertinency of that letter is the fact that he occupies that position with the Submarine Boat Corporation.

Mr. HERSEY. Where is it written from?

Dr. KIRCHWEY. From his office in New York City.

Mr. GOULD. And was that sent with the authorization of the officers of the Submarine Boat Co.?

Dr. KIRCHWEY. I do not know what authorization there may have been. I assume he is in position to write such a letter. He does not represent them, of course, in stating a theory, but when he says that in his capacity as industrial consultant he has had opportunity to observe the workings of the Federal Employment Service and had found it extremely cooperative, it goes far to nullify any criticism that may have been made as to our relations with them.

The CHAIRMAN. What is the date of this letter?

Dr. KIRCHWEY. July 14, 1919. That covers the period since the war. I may add that I have discovered also that since the virtual close of the war, and since overtime and double pay has been abolished by the Submarine Boat Corporation, it has been practically impossible to get any people to go to work there. A good many were attracted by the excessive wages which prevailed under the war conditions.

The CHAIRMAN. What have you to say, Doctor, if you have any knowledge on that subject, of records of placements being padded?

Dr. KIRCHWEY. I happen to have some knowledge of that matter, Mr. Chairman, by reason of the fact that I have been engaged in a newspaper and personal controversy with Mr. Morris Ernst, who testified here the other day. He has repeatedly made the charge that our records were padded, owing to the fact that we appeared to be reporting more placements than registrations in some of our offices. That matter is very easy to explain. Under the system of recording established in and for the city of New York by the State Industrial Commissioner, and still in force there in the State offices, and established for us by the Department of Labor, and taken over, I think, from the State systems generally in vogue when the Federal system was established, a person applying for a job was registered only once, when he made his application. If he happened to be a casual worker, working for a week, such as a longshoreman, or a woman doing day work, he might be placed again and again, and would be only once registered, and I have complete statistics on that. With your permission, I will leave with you a little memorandum I had prepared by the chief of my department of statistics explaining that matter in great detail.

The CHAIRMAN. Without objection it will be incorporated into the record.

(The memorandum referred to is printed in full in the record, as follows:)

PADDED PLACEMENTS.

It has been said that the United States Employment Service in New York State has claimed an impossibly high percentage of placement, at times even 100 per cent and more.

1. This statement could never be applied to the figures given for male placements. Diagrams 1, 2, and 3 show that the male placements have never been recorded as more than the male registrations. Diagram 6 shows that in New York City the United States Employment Service has never for a single week claimed higher than 76 per cent placement of men and that the percentages for the up-State offices has never exceeded 79 per cent.

2. This statement could be applied to the figures given for female placements prior to April 14, 1919, because of the definition of "registration" in use till that time, which made it perfectly reasonable that in certain occupations the placement figures should exceed the registration figures. Under the former system, a person was registered when she first called at an office and never again as long as her name remained on the office record, though she might have been placed in 50 casual jobs; in which case 50 "placements" would have been recorded. That this method of counting registrations seriously affected the female figures but not the male figures is due to the fact that less than 1 per cent of all male registrants are casual workers, while 6 per cent of all female registrants are casual workers. Moreover, the type of casual work done by women is still more casual than that done by men, as is demonstrated by the fact that from January 1 to April 12, 1919, 36 per cent of all female placements were of casual workers while only 2 per cent of all male placements were of casual workers. In other words, on an average, every

woman casual was placed six times while every male casual was placed twice.

3. This statement can not be applied to the figures given for female placements after April 14, 1919. Since that date a person is considered as a new registrant after each placement, and it is now impossible for placement figures to exceed registration figures. The resulting change in records can be seen in diagram 8, which shows that since April 12, the percentage of female placement in New York City offices has never exceeded 69. (Figures for New York City offices only are shown since no change in policy was made in other offices than those controlled by the Federal service, and it is reasonable to assume that records made under the old definition of registration would still seem to show excessive placement figures.)

TABLE 1.

New York State.

MALES.

Week ending—	Total registra- tions. ¹	Total place- ments. ¹	Soldier registra- tions.	Soldier place- ments.
Oct. 5.	15,068	9,503		
Oct. 12.	13,252	7,339		
Oct. 19.	13,314	8,797		
Oct. 26.	14,026	9,217		
Nov. 2.	17,233	11,367		
Nov. 9.	14,218	9,254		
Nov. 16.	13,616	9,751		
Nov. 23.	15,910	10,959		
Nov. 30.	11,594	7,886		
Dec. 7.	14,817	10,018		
Dec. 14.	15,508	10,641		
Dec. 21.	15,251	9,332	672	169
Dec. 28.	10,556	6,335	1,521	539
Jan. 4.	14,135	7,507	2,365	690
Jan. 11.	20,058	10,577	3,636	1,213
Jan. 18.	15,865	8,653	3,181	1,302
Jan. 25.	13,994	6,509	3,157	1,064
Feb. 1.	11,621	5,622	2,909	1,188
February 8.	11,403	5,457	2,566	1,163
February 15.	8,686	4,333	2,344	1,087
February 22.	8,848	4,169	2,588	1,098
March 1.	9,717	4,959	3,301	1,632
March 8.	9,601	4,366	3,149	1,255
March 15.	10,146	4,548	3,626	1,482
March 22.	6,867	3,550	2,533	1,321
March 29.	5,282	2,641	2,309	908
April 5.	8,064	4,154	3,641	1,456
April 12.	8,726	4,471	4,446	1,596
April 19.	7,461	3,227	3,703	1,592
April 26.	7,667	4,007	3,965	1,961
May 3.	7,742	4,134	3,512	1,876
May 10.	6,959	3,729	3,333	1,625
May 17.	8,397	4,494	4,315	2,256
May 24.	8,648	5,021	4,520	2,572
May 31.	8,179	4,762	3,704	1,899
June 7.	9,401	5,950	4,251	2,497
June 14.	10,153	5,546	5,045	2,160
June 21.	9,839	5,531	5,602	2,549
June 28.	9,448	5,758	4,089	2,216

¹ These figures include the soldier figures given in the next two columns.

October 1, 1918, to June 28, 1919:

Total male—	
Registrations	448,468
Placements	262,531
Average of 1,156 placements a day.	
Soldiers—	
Registrations	94,000
Placements	42,797
Average of 267 placements a day.	

INCLUSION OF FIGURES OF BUREAUS NOT CONTROLLED BY UNITED STATES
EMPLOYMENT SERVICE.

An examination of the male report for week ending June 28 shows that:

In New York City there are 23 offices, making a total of 4,065 placements. Of these 15 are controlled by United States Employment Service and total 2,787 placements, or 69 per cent of the total for the city.

Three are controlled by the New York State independent companies.

Five are controlled by independent organizations.

Up-State there are 17 offices, making a total of 1,616 placements.

Of these 6 are controlled by United States Employment Service and total 394 placements, or 24 per cent of the total for up-State.

Three offices are partly controlled by United States Employment Service.

Eight offices are controlled by the New York State independent companies.

Mr. HERSEY. Are these placements shown here, were they in your organization?

Dr. KIRCHWEY. I have here——

Mr. HERSEY (interrupting). By your organization, were they your organization placements in New York City?

Dr. KIRCHWEY. Yes, sir.

Mr. HERSEY. And that was done in connection with the State organization?

Dr. KIRCHWEY. As I explained, up to a few months ago they were identical. They were administered by the same personnel——

Mr. HERSEY. But those statements were made by the combined organization?

Dr. KIRCHWEY. They were made by the combined organizations.

Mr. HERSEY. That is, during the time of the war?

Dr. KIRCHWEY. Yes. The State had five offices prior to the war period, and we had altogether 60 offices operating in the State of New York, and even the State offices were manned for the most part by our employees. In Albany they had but one, the superintendent, on the State board pay roll, and the 68 other employees were on our pay roll, and it was only during the last few weeks that the State service has been disentangled from ours. Only since June 30 we have not been paying for their headquarters.

I would like to show a diagram showing the principle of applications and placements. I think it will be interesting.

The CHAIRMAN. If you will file that with the stenographer, such statistics and memoranda as you think you would like to have appear in the record, we will be glad to have it appear in the record.

Dr. KIRCHWEY. May I add one thing before I dissolve into obscurity?

The CHAIRMAN. Certainly.

Dr. KIRCHWEY. These statistics show the number of placements, week by week, through the combined Federal and State service, and it is over 90 per cent Federal most of the time, and now it is perhaps 60 or 70 per cent Federal. During the period from October 1 to January 28, the last nine months, there were in our office 448,000 in

the State of New York, that is, registrations, and 262,551 placements, an average of nearly 1,200 placements a day.

The CHAIRMAN. Between what periods?

Dr. KIRCHWEY. That was during the last nine months, on an average, it varying, inasmuch as it would be higher during some weeks than others, and falling again, for some reasons, as that diagram will show, and among those there were 94,000 registrations of soldiers, covering the whole period of demobilization, 32,800 of whom were actually placed, making an average of 267 placements a day of soldiers and sailors.

Mr. GOULD. Then there was a shortage of labor throughout the State during all of that [indicating on diagram].

Dr. KIRCHWEY. No; that was a surplus. I am glad that you called my attention to that. We are constantly recruiting for labor opportunities, and sometimes they dump on us, and how large a proportion of men out of employment actually come into our office, heaven alone knows. The private fee-charging agencies are doing a land office business all the time side by side with us, and many, many men go from one plant to another in order to try to get jobs, and again and again I hear that story. I heard the story yesterday from the son of a woman employed in my house, who said that he had been out of a job for six weeks. I asked "Has he been to any of the offices of the United States Employment Service?" The answer was "No, he never heard of that." In other words, the number of the persons registering in no index of the number of persons out of employment.

Mr. GOULD. This record shows registrations and placements and wants. I suppose the "wants" means applications by employers for help?

Dr. KIRCHWEY. Yes, sir.

Mr. GOULD. And that "wants," shown on the bottom line on page 2, is in excess of placements.

Mr. KIRCHWEY. That is true.

Mr. GOULD. And it would, according to this record, of course, I do not know how the figures are based, show a demand in the surplus of labor?

Dr. KIRCHWEY. It would seem to indicate that, but I think that that my explanation clears that up.

Mr. MACCRATE. The matter of unemployment, and the number of your applications, is no fair test, because many men in a job will go to the employment agency seeking a better job.

Mr. GOULD. Yes, that would be possible.

Dr. KIRCHWEY. Yes, that will happen occasionally. I do not think it happens very much at the present time, when jobs are really not nearly numerous enough to absorb the labor supply.

Mr. GOULD. In what part of the country?

Dr. KIRCHWEY. Pretty nearly everywhere, I should think. Our service here in Washington has been a very important piece of work during the last six months or so in maintaining what we call a labor barometer, based on weekly telegraphic reports, of the number of men employed in all parts of the principal industrial establishments of the country during the week ending the previous Saturday, telegrams being sent on Tuesday, as compared with the present week, and those records show that our normal peace-time

industries in general throughout the country on the 1st of January or before, of course, from the time of the conclusion of the armistice, right down to the middle of May, that they were letting more people out than they were taking in. There was a shrinking of industry throughout the country. That must mean with the demobilization going on all the time with the Army and Navy, it must mean that the surplus of labor was rising instead of falling up to the middle of May. Since that time there has been a very slight tendency in the opposite direction, but not nearly enough to absorb all labor laid off during the previous five or six months.

The CHAIRMAN. And what you say about the barometer furnished by the weekly reports of the Department of Labor, I would add to that that I have in several instances telegraphed the mayors of the cities where it was shown there was a surplus of labor, and in nearly every instance they have verified the barometer furnished by the Department of Labor, and I wired the mayor in order to get away from any interest that might be shown in a record or might influence it in any way, and any member can do that if he wishes to do so.

Dr. KIRCHWEY. That labor barometer has shown two distinct things about which there is a tendency to confuse. I have been called upon to send in a report from every one of our industrial districts of the number of persons out of employment. There is always more or less of speculation about it. They reported in Buffalo that there were 600 or 800 and up as high as 30,000 at one time out of work. They only do that because of more men applying for jobs than they could supply. I have been assuming that there were at least 100,000 men out of employment in New York City. I have been told by the representative agents of the trade unions and by great employing concerns that there are so many men out of employment in this trade and so many out of employment in that trade, and by adding them together and knocking off about 33½ per cent I have come to that conclusion.

Mr. HERSEY. And how does that compare with normal times, how would it compare with the times as they were in 1914?

Dr. KIRCHWEY. Well, there does not begin to be the amount of unemployment to-day that there was at that time. There is not nearly the amount of unemployment to-day, and not nearly as much as there was then. I should say that to-day it is more than normal. Usually it is estimated that there is something like a million men out of employment in the country, something like——

Mr. GOULD. That was the time they were having the soup kitchens, in 1914?

Dr. KIRCHWEY. That was a very dreadful situation in New York City at that time, with half a million men out of work instead of a hundred thousand men out of work.

Mr. GOULD. The underlying condition that existed at that time has not up to this date been changed. The peace-time conditions obtained in industry, and when conditions abroad get normal there is not any reason to suppose that they will be anything like such——

Dr. KIRCHWEY (interrupting). There is always a recurrence, and recurrence is like the ebb and flow of the tide. Until we arrive at some better industrial system, I apprehend in the next few months there will be a scarcity of labor rather than a surplus.

Mr. CASEY. Will you kindly tell us who gathers this information in the communities in which this labor barometer is compiled?

Dr. KIRCHWEY. It was gathered under the auspices of the community labor board in each of my industrial districts in New York State.

Mr. CASEY. And that board is made up of the employers and labor representatives?

Dr. KIRCHWEY. Yes; made up of employers and labor representatives equally, and they would designate some person, usually the person in charge of our main employment office in that district of the State, who has been getting that information through the State bureau in that district; and the State has been getting that information through the bureau of statistics since I turned over the up-State office to the State organizations, but they have a list of all the principal employers in their district. There may be some forty or fifty, perhaps seventy-five, in the Buffalo district, I do not know. We have several hundred in New York City, and we telegraph to each one of those on Monday morning and ask them what the state of the pay roll was at the close of the business when they shut down on the preceding Saturday. They get that from all of those people, and the responses are always willingly given, and that is the usual way of getting the statement—

Mr. MACCRATE. Do you take into consideration the removals from the particular territory? Take, for instance, Bridgeport, Conn., and you would ask what the employees were on the payroll the preceding week, and then you would get the new week, and you would compare that with the preceding week, and that would not be a fair gauge because the removals have been such that you could not say that all of the people absent were unemployed.

Dr. KIRCHWEY. We can only say that they are no longer employed in Bridgeport.

Mr. MACCRATE. Have you taken into consideration the emigration—

Dr. KIRCHWEY (interrupting). Is not that balanced by the report from New York City and from Boston, where they have been invading? You must remember that every center in the country, and every important industry in the country, is represented in those figures, and they are all added together, and they say that, taken altogether, there were less people this week than last week.

Mr. MACCRATE. What is the emigration per day from the port of New York?

Dr. KIRCHWEY. I do not know whether—that has gone far to reduce the labor surplus.

Mr. MACCRATE. I have been wondering whether or not a great deal of this falling off in employment is not due to the fact that men are emigrating—

Dr. KIRCHWEY. I have no doubt that the emigration from this country is due largely to the unemployment. I know—

Mr. HERSEY. Emigration at the present time?

Dr. KIRCHWEY. Yes, sir; this emigration that has been going on recently of the foreigners.

Mr. MACCRATE. Is it not true that the inducement has been held out that because of the emigrant who wants to go back home, that his place could be taken—

Dr. KIRCHWEY. I have had them interviewed at the steamboat landings, and men have come into the office who could not find a job, and they have said, "I am going back to Italy." In other words, lack of employment is one of the many contributing motives.

Mr. HERSEY. But before the war there was no excess of emigration from the country?

Dr. KIRCHWEY. No, sir; except for military purposes.

Mr. CASEY. My other question is this: In the early stages of your remarks, if I understood you correctly, you said as the service in the State of New York—using the State of New York as an example—should perfect itself, that there should not be one Federal employee in the State.

Dr. KIRCHWEY. Perhaps I stated that too strongly. I do not think that the placement business ought to be done by the Federal Government. We might require collectors of statistics, but I think that the employment service in the State of New York ought to be solely under the control of the State of New York.

Mr. CASEY. Would it not be very necessary to have inspectors in the State of New York?

Dr. KIRCHWEY. If we had a national bureau, it may be necessary to have such inspectors of that kind; I do not know to what extent. I doubt very much if the State would encourage any very rigid system of inspection by the National Government. If we were to have them to get reports—

Mr. CASEY. If we were going to have uniformity of systems, would it not be necessary for us to have some kind of an inspection?

Dr. KIRCHWEY. I would like to modify that statement. The employment business in each State ought to be under the direction of the State, and in their administration the employment office should be a State function. The State authorities should select the personnel and control their actual operation. In my opinion, it is essential that the employment system to be set up shall be an interdependent one, the State operating the employment bureaus under general regulations as to procedure and policy laid down by the Washington office, and reporting to and clearing through the Washington office. Under this plan the disbursement of funds, Federal as well as State, and the actual administration of the employment system will be carried on by the State authorities, while the United States Employment Service, in addition to maintaining a system of labor clearance among the several States and of gathering and distributing information as to industrial and labor conditions, will have the further function of coordinating and developing the employment services of the several States.

It will be obvious that I am speaking here only of the few States, like New York, for example, that are prepared, with Federal aid, to maintain a reasonably adequate service. In the larger number of States, where this is not the case, it will still be necessary, probably for a long time to come, for the National Government to operate an employment service very much as it has been doing.

To confine the United States Employment Service to the function of operating a clearing house for labor would, under existing conditions, be an indefensible waste of Government funds. It would be like operating a power plant with three-fourths of the machinery idle, or like maintaining a clearing house for only half a dozen of

the banks in New York City, or a Federal reserve banking system for only a dozen of the States scattered from Maine to California. A system of labor clearance to be effective must be nation wide or must at least cover all the industrial centers and the great agricultural and mining areas of the country. At the present time and for a long time to come the greater part of this region can be covered only by a Federal employment service.

Mr. CASEY. I just wanted to call that matter up.

Mr. MACCRATE. Is the prospect of prohibition having any effect upon the emigration?

Dr. KIRCHWEY. I can only say that I think it would, naturally.

Mr. HERSEY. If a man stops on account of "no beer, no work," would you call that unemployment?

Dr. KIRCHWEY. I would say that as long as he was out he was unemployed, and he would so feature in my statistics.

Mr. Chairman, I very much appreciate your patience in listening to me.

Mr. CASEY. I wish to make a correction in the record. On page 110 I was quoted as saying:

The reason that I ask that question is that the advisory council was composed of experts.

I happened to be a member of the advisory council, and I do not wish to be looked upon as an expert. What I intended to say was that "the advisory council called in the employment experts from all over the country, and by the unanimous vote of all of them, and as the result of cooperation with them, a unanimous report was made to the Secretary of Labor." I would like to have that correction made.

The CHAIRMAN. It may be made.

STATEMENT OF THOMAS C. ATKESON, REPRESENTING THE PATRONS OF HUSBANDRY.

The CHAIRMAN. Mr. Atkeson, give your name and residence, please.

Mr. ATKESON. I am in the city in a representative capacity, representing the farmers' organization known as the Patrons of Husbandry, or the National Grange.

The CHAIRMAN. And how large an organization is that?

Mr. ATKESON. It has a membership of bona fide farmers and farmers' families of something near 700,000, those paying dues.

The CHAIRMAN. And has that organization taken any formal action on the matter of your coming here, by resolution or otherwise, in order that you may represent them here?

Mr. ATKESON. Yes, sir. Some of these members are women, and very soon they will have votes, and then we will represent three-fourths of a million of voters. We have dormant members who have been members of the organization but who have gone out for one reason or another, and that brings the potential membership up to a million of people living on the farms and in the open in this country. Mr. Chairman, at the session of the National Grange held at Syracuse last November they took the first action ever taken with reference to this employment-service problem. They have taken action

on a good many things which they could not get. At this session in Syracuse, N. Y., where there were perhaps three or four thousand farmers taking more or less part in the proceedings of the meeting, they passed this resolution that I will now read:

Whereas we are informed that the 1918 crop of cereal in this country is short of the 1917 crop by approximately 225,000,000 bushels; that the United States sent to its armies and allies last year 11,530,000 tons of food products and is expected to send this year approximately 22,000,000 tons of food products; and

Whereas the farms of this country for a number of years previous to the war have been short of efficient farm labor; and

Whereas the war and other industries and the military drafts have taken millions of men from the farms until it is now impossible at the present prices paid for food products on the farms to secure the necessary labor for the production of a maximum farm crop: Be it

Resolved, That the National Grange, assembled in session in the city of Syracuse, N. Y., urge upon the United States Employment Service of the Department of Labor that they extend to the farm-service section of the department such equipment, authority, and cooperation as may be necessary to make the farm-service section of more real service in compliance with the purposes for which it was created, namely, the service to agriculture.

The resolution was adopted.

Now, there is a section of the country that is interested, like every other section of our citizenship, in the great labor problem. I think that I may safely say, from the standpoint of the farmers, that there are two jobs now on the farms of this country for every available laborer, notwithstanding the congested labor conditions in the cities. One reason this is true is because the price farmers judiciously pay for farm-labor service does not justify them going into the labor markets on the present scale of wages and securing the labor. The prices for the harvest fields of the country—

Mr. GOULD. You mean that the farmers can not compete?

Mr. ATKESON. That is the point that I want to make. The newspapers told us—I presume the Labor Department knows whether it is true or not—that they were paying harvest labor in Kansas and Nebraska and in the wheat sections of the country as much as \$1 an hour for a 10-hour day. That means \$10 a day for harvest times, and if that statement is true that does not mean \$2 wheat in this country.

Senator KENYON. And board also?

Mr. ATKESON. Yes. When the wheat is grown and it is likely to go to waste for the lack of labor it might be possible that a man, in order to save his wheat, would pay \$20 a day for one day, after all of the cost of production except harvesting had been paid, and on that basis the farm labor on the \$10-a-day basis would at least mean \$10 a bushel for the American production of wheat.

Mr. GOULD. It might reach throughout the year.

Mr. ATKESON. If that was the level of the farm wages; yes, sir.

The CHAIRMAN. There is an old saying that I have often heard, "A bushel of wheat, a dollar a day."

Mr. ATKESON. And, as a practical farmer, I know that that is true, with the variations that we know of, but it is a safe proposition that wheat can not be produced in this country on a wage basis of more than \$1 per day, and especially if they reduce it to an 8-hour day, and that is what they are rapidly doing, and what the farmers generally are beginning to advocate.

The CHAIRMAN. Do you think that they will be in favor of an 8-hour day—the farmers will be in favor of that in time?

Mr. ATKESON. I think that the force of circumstances will compel them to adopt an 8-hour day; yes, sir.

Now, in regard to this question, we farmers are interested in connecting the surplus labor of the country, wherever it is, with the job—in the open country, where the food of the Nation must be produced if it is produced at all. We have, from our observations and experiences in the various States and cooperation with the national labor service, have had some beneficial and advantageous experiences. It certainly may be made an important instrumentality for connecting up the man who is out of a job with the job that is out of the man, and if that is not the purpose, and if it is not functioning properly and efficiently along that line, then it ought not to exist. I believe it does function, especially in other occupations, more than it does in connection with agriculture.

Mr. GOULD. Explain to the committee, if you will, Mr. Atkeson, just about how it is possible to connect up the farmer who needs the man and the man with this system. That is the question that we are trying to solve. I will be glad to have you answer that from your practical experience.

Mr. ATKESON. That is the central thought of the whole question, is the business of connecting the man with the job and the job with the man, and especially from my standpoint, with the job out in the open country. In the first place, no labor service can induce a man to go to a job from any matter of sentiment or patriotism in times of peace, when he can do better in some other job. Now, that is the basis in connection with this whole employment service. In our country men float like water down hill, and seek their level, and theoretically every man goes and ought to go where he thinks it is best for him and his family. If country conditions are not attractive from the wage compensation, from isolated conditions, and the multitude of other things that exist to induce young men to prefer the city and the factory and man's occupations, you are going to have to offer some inducement instead of showing him the job out there. Men know that the jobs are out there now, and the main reason that they do not want to go to that job, is because they do not want that job at the price that they can get, or some other conditions, and these other conditions, in many instances, are more important than the mere question of the dollar. There are men that would starve to death in Washington, or nearly that, before they would go to Kansas and harvest wheat at \$10 a day.

Mr. HERSEY. And if a man had to leave Washington and to go to Kansas, and to pay the long fare there and back, it does not appear very attractive to them.

Mr. ATKESON. That is one of the conditions. One of the difficulties of the agricultural labor problem is the difficulty in making it continuous, uniform employment, throughout the year. Just as nearly as that can be done, you will settle the agricultural labor problem. During the harvest season in Kansas, Kansas will probably require two or three times the uniform labor requirements on the farms of Kansas. That is my experience as a farmer, and I am a farmer when I am not here in Washington during spare times trying to tell Congress what to do, and they do not do what I tell them; and at other

times I am engaged in growing crops, and while I am in Washington. Here is our experience, that to have a stable, dependable farm labor, it must be occupied on the farm during the year, and, as nearly as possible, by men with families, who have comfortable tenant houses, where they can rear their families peaceably and be given occupations the whole year round. We have three such men on our farm to-day, and one man who has now passed the working stage, has been for nearly 30 years in one of those tenant houses, and he is comfortably fixed in his old age; and those three men, with the modern machinery, can do a whole lot of farming, and we cut our harvest with practically less than half of the number of men we would have employed if we could have secured them. I have a letter from my son, and he tells me that they have had a good deal of rainy weather down there and that the corn has grown up in weeds, and that he had four men in the field to try to clean the weeds out of the corn, and the only thing that they were cleaning out was his pocketbook. They were being paid \$4 a day in their effort to clean out the weeds.

Now, Mr. Chairman, I will say that the National Grange, which represents the conservative element of organized farming—

The CHAIRMAN. The Grange and the Patrons of Industry are the same?

Mr. ATKESON. They are the same, but it is the Patrons of Husbandry, not Patrons of Industry. And they were confronted with the war time last November, and we assembled the day after the armistice was signed, when this resolution was adopted and they stated then just what has come to pass since, that our labor and economic conditions would be more or less chaotic, and in a conservative way they indorsed the labor service department, or the division of the Department of Labor, but only with reference to its utility and application to farm conditions. And they were not undertaking to state anything for any one else, and I think it may be said safely for the organization and for myself that, within conservative, natural limits, and with the greatest possible efficiency of service, that the farming people of this country favor a continuation of the labor service of the Department of Labor.

The CHAIRMAN. How many are engaged in agriculture, Mr. Atkeson?

Mr. ATKESON. How is that?

The CHAIRMAN. Give us for the record what proportion or percentage of the population of the United States are engaged in agriculture?

Mr. ATKESON. If we take the census, the last census, they give in my own State, they say we have 80 per cent rural population. I do not remember what it says for the whole country. That is misleading in that it takes into consideration as rural population the population outside of cities and villages of 2,500 or more, and in West Virginia half of the population outside of those cities are coal miners, who do not produce anything, not even a garden, and they are classed as rural population. The best information from the farmers' standpoint and investigation—and we have tried to get the census people to determine, if possible, how many people lived on the farms and produced the food of the Nation. But our information is that it does not exceed 25 to 30 per cent of the total population, and thereby hang a number of tales. Nearly three-fourths of the voters of the

country are not producing on the farm; they are not producing farm products. The candidates for President and for Congress may reflect on where the votes come from. That is as nearly as it can be ascertained, that about 25 to 30 per cent of the voting population of the country are farmers, and we speak for that percentage, and we believe that this labor service ought to be continued, with such restrictions as it ought to have.

The CHAIRMAN. We are very much obliged to you for your information.

STATEMENT OF EDWARD A. LYCETT, WASHINGTON, D. C., EMPLOYMENT MANAGER FOR THE WASHINGTON STEEL & ORDNANCE CO.

Mr. LYCETT. Mr. Chairman, I came up with a commission of our committee to appear in behalf of the continuation of the employment service, based on the fact that I do, as an employer of labor, I have the handling of labor in the city of Washington for the concern that, outside of the Federal Government, employs more employees than any other concern inside the city of Washington.

In the prosperous times we employed 3,000 men, before the present system of employment service—that is, as it exists now, and we were doing business in the original immigration service, through Mr. Caminetti, and we needed men badly.

Mr. GOULD. Is that common labor?

Mr. LYCETT. It is common labor, skilled labor, and some are skilled and unskilled. And I have developed, I think, better than any one else in the city of Washington, a better knowledge of the employment service and its benefits to an employer in need of labor. In 1914 we had less than 500 men, and we built up our organization with the help of the employment service, during the highest peak of the war; that is, in the fall of 1918, when we had 3,000 workmen, not including the officers and overhead.

Mr. HERSEY. What were you doing? What were you manufacturing?

Mr. LYCETT. We were manufacturing at that time projectiles, and we have since been turning our works into a commercial proposition, the projectile game being about closed. We have to have an entirely different class of people, not necessarily in all departments but in a great many departments. It has been my happy experience to work in close connection with the labor office at 1410 Pennsylvania Avenue; in fact, at the request of the officers—I won't say of the board of the chamber of commerce, but at the request of the officers and president of the chamber of commerce and the board of trade—I acted on the community labor board, which you have heard men in this room describe several times, and in that way I came in close contact with the employment of labor in Washington to take care of the work going on.

We are using the employment service at the present time just as we used to use the private enterprise, when we paid as high as \$5 for a mechanic, and the mechanic, in addition to that, had to pay his money for the position. We brought men from Philadelphia, from private enterprises, and we were sending for laborers and mechanics in various parts of the United States in the early stage of the war,

before the United States went into the war. I have been under the supervision of the employment service as far west as Indianapolis, Ind., and I brought two lots of men to work in our shop; the first consisted of 65 men and the second one consisted of 70 men.

Mr. HERSEY. That is, during the war?

Mr. LYCETT. That is, during the war; and this could have been accomplished in no other way to my knowledge, for the reason that I had advantage of all the information in the local office. In peace times, as we are changing our work over—

Mr. HERSEY. What are you going to do now?

Mr. LYCETT. We are going into chain forging and machine work.

Mr. HERSEY. How many men do you employ there now?

Mr. LYCETT. At the present time we have there at work 1,500 men and we hope to increase it back to the normal capacity.

Mr. GOULD. Would you mind telling the committee what kind of employees you got during that time and how you got them here?

Mr. LYCETT. They were semiskilled labor—

Mr. GOULD. But where were they employed at the time that you got them?

Mr. LYCETT. Some were skilled—

Mr. GOULD. Were they employed at that time?

Mr. LYCETT. No, sir; they were out of employment at that time. They were surplus labor.

Mr. HERSEY. And did they return to their homes?

Mr. LYCETT. No; we have some of them there yet.

Mr. HERSEY. What percentage of them have you yet?

Mr. LYCETT. I could not tell you. Some of them are working over in Alexandria, and they have gone to various local organizations. We have used the employment service, and, as I stated and as I believe, to get the necessary labor it is the only instrumentality of that character that can bring us the men from places where men are out of work. In attempting to do this ourselves we oftentimes bring men here that if we had greater facilities for investigating them we would not have brought them at all.

Mr. CASEY. Washington is becoming an industrial center?

Mr. HERSEY. You are assuming that.

Mr. LYCETT. It is not.

Mr. CASEY. And if this Federal bureau would be discontinued where would you get your help then?

Mr. LYCETT. We would get it as we did prior to the war.

Mr. HERSEY. How was that?

Mr. LYCETT. We sent agents out all over the country to get the men that we wanted. If we wanted a diesinker we would send a man to Detroit to get one.

Mr. CASEY. Did you use the private employment agency at all?

Mr. LYCETT. We used the private employment agencies, and our own scouts.

Mr. HERSEY. And the employees would have to pay for the privilege of going to work?

Mr. LYCETT. The employee has always to pay for that.

Mr. GOULD. Let me ask you if the company was successful in the matter of earnings and profits?

Mr. LYCETT. Certainly, we were successful, and the expense does not enter into it at all. It is only nominal.

Mr. HERSEY. Were you connected with the United States Employment Service during the war; that is, personally?

Mr. LYCETT. I was not connected with it, only in an advisory capacity. I represented the employers. We had no other part.

Mr. HERSEY. And you were entitled to the service in Washington?

Mr. LYCETT. In Washington.

Mr. HERSEY. And they helped the company in the matter of getting labor?

Mr. LYCETT. Well, you know the community labor board takes care of the commercial houses.

Mr. HERSEY. And is the reason that you did not have to pay any fee for obtaining the labor one of the reasons why you want free United States Employment Service continued?

Mr. LYCETT. Why, we never had to pay a fee. The workman usually pays the fee. A workman drops into a place in Philadelphia, and says he is a machinist and he wants a job, and he tells the man that he wants a job and the man says he will try to get a job for him; he makes a deposition of \$2, and the instant that he gets a job, he pays \$3 more. Say that we write to this man that we want a mechanic. That man is advised of the fact, and we do not pay a fee at all.

Mr. HERSEY. That is, with the private fee-charging agency?

Mr. LYCETT. Yes.

Mr. GOULD. And the cost of the transportation is taken out of the man's pay at so much per week, is it not?

Mr. LYCETT. We advance it.

The CHAIRMAN. We are very much obliged to you, Mr. Lycett.

(Thereupon, at 11.45, the hearing was adjourned until 10 o'clock a. m. of the following day, July 17, 1919.)

NATIONAL EMPLOYMENT SYSTEM.

THURSDAY, JULY 17, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m., in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senator Kenyon; Representatives Smith (chairman), Hersey, MacCrate, and Casey.

Also present: Frank Morrison, secretary of American Federation of Labor; Dudley R. Kennedy, formerly director of labor of the Goodrich Rubber Co., assistant to the president of the Youngstown Sheet & Tube Co., and during the war manager of industrial relations for Hog Island; Neal Farnham, labor representative of the United States Housing Corporation Projects at Portsmouth, Va.; John B. Densmore, director general United States Employment Bureau.

The committee continued consideration of the Senate bill (S. 1442) to provide for the establishment of a national employment system and to provide for the cooperation of the States in the promotion of such system and to regulate the expenditure of money that shall be appropriated for such service; and the Senate bill (S. 688) to provide for a national employment system, and House bill (H. R. 4305) to provide for the establishment of a national employment system and for cooperation of the States in the promotion of such system to regulate the expenditure of moneys that shall be appropriated for such purposes.

STATEMENT OF FRANK MORRISON, SECRETARY OF THE AMERICAN FEDERATION OF LABOR.

The CHAIRMAN: Mr. Morrison, we are trying to determine the necessity and need of a Federal employment bureau, and what we would like to know is whether you are in favor of or opposed to it, and your reasons for it, if you will give them. We would like to have you make your own statement.

Mr. MORRISON. Mr. Chairman and members of the committee, the question of machinery for connecting up the wageworkers with situations and jobs has been a question that has been in the minds of representatives of organized labor for a great number of years. There was a long struggle to secure a Department of Labor with a representative in the President's Cabinet, and to look after the in-

terests of labor. We had departments looking after the interests of commerce and a department looking after the interest of agriculture, and everything else except labor. Congress, in its wisdom, with pressure brought to bear upon it, gave us a bureau expert, and afterwards they took the bureau and buried it in the Department of Commerce, but we got it out and we got a department. A number of years ago I was very anxious to have the Department of Labor look after the interests of the unemployed. We had a tremendous number of unemployed in this country, and there was nothing being done for them except what was done by the labor unions and the State bureaus, and we thought that the Government itself should have machinery to connect up the unemployed in one State with the situations in some other States. We realize that the State departments of labor were doing good work, but they worked entirely for the interest of the people in the States. Then we had the question of supplying men for the farmers to put the crops in and to take them off, and the question of supplying labor on the coast in harvesting oranges and the various kinds of fruit.

I mention that because, whenever there was a great number of unemployed, the cry was immediately raised "Why don't they go on to the farm; we want farm labor?" Our answer to that was this, that a man leaving a city and paying his railroad fare and going to work for seasonal work, that when he got through with that work he had no money left, he could not live as a self-respecting citizen of the United States should live—that is, himself and family in reasonable comfort. We felt that if we had a United States employment service they could work out a system whereby the people could be supplied, starting in with the South and coming right along up and taking care of the harvest, and supplying the hands that the farmer was claiming that he needed, and we felt that the Federal employment bureau could do that. We realized that they might find it difficult, but it is in a better position than the State bureaus to bring just such a condition about.

In taking it up with the officers of the Government, the employment bureau first, a man came in to me and had a talk in regard to using the post office as a publicity point for those that were unemployed and for those that needed employment. I took the matter up with Secretary Wilson—I do not mean to say that I was responsible for it, because the matter had been discussed—but about 1915 the Immigration Bureau started just such a form of publicity to secure employment for the unemployed, and out of that has occurred the service which went into effect about 1917 to look after the wage workers; that is, this employment service, which was intended, not to secure employment in the stricter sense of the word "unemployed," but to secure workers for the manufacturers of munitions for the war. There was a great effort to get this bureau outside the Department of Labor. There seems to be a feeling among some public men and among some newspapers and among some Senators that anything done for the benefit of labor must be done by supermen; that there is no representative of labor capable of handling such a proposition of such moment, and even the Department of Labor, they claimed, was not capable of employing men for industries. When that was put up to me I asked, Why was not the Department

of Labor capable of employing the men for industries? Could not the Department of Labor, an arm of the Government, hire these men to do the work, or to get the dollar a year men—a proposition that I was not in favor of and never have been, as it belongs to the back ages and left in the hands of those who govern great power, because the wage earner is unable to work for a dollar a year—and so after a fight we got this employment service through the President giving \$800,000 out of his fund to do it, and we got it established in the Department of Labor as a service.

It might be interesting in a discussion of this kind to note the discussion which went on with members of the defense committee, and it was stated that one of the reasons they wanted a separate bureau was because the Department of Labor did not have any money. I said to them, "Do you mean to tell me that you can get money to carry on this work when the Department of Labor, established by the Government, can not get the money?" Well, they said that they did not have the money, but the President solved that question.

The CHAIRMAN. Just when was it established, if you please, Mr. Secretary?

Mr. MORRISON. I think it was about 1917.

Mr. HALL (assistant director general, United States Employment Service). January 3, 1918.

Mr. MORRISON. I will accept that. I was inclined to think that they were working on it in 1917.

Mr. HALL. They were working on it in 1917.

Senator KENYON. It developed last week, or the week before, that you could get money for the Department of Labor, did it not?

Mr. MORRISON. For what?

Senator KENYON. Congress showed last week, or the week before, when this question of appropriation to continue this work was up, it was shown in Congress that you could get money to carry on this work. You said that Congress could not get the money.

Mr. MORRISON. I was talking at the time of statements made at that time that the department did not have the money. I asked the question why the Council of National Defense could get the money to do it and the department could not.

Senator KENYON. There are some who do not want to give the department very much money, are there not?

Mr. CASEY. You are talking now about the starting of this service, as I understand it, Mr. Morrison.

Mr. MORRISON. Yes; and I am giving the reasons why I am in favor of this being a permanent department and supplied with funds to do the work in a proper way, or the way that Congress wants it done, or the way that it ought to be done, but I was leading up and giving my reasons, and was telling about the fight we have had to get funds to carry it on. I urged the establishment of this bureau before it was established; I urged that appropriations be made, and it was nearly a year after the effort was made before Congress came across with ample funds, and when it came across it only came across the moment it was absolutely essential that the men should be mobilized from the positions they were in into the war industries.

The CHAIRMAN. A good many people have said that while such a bureau might have been necessary during the emergency of the war, now they feel that the war is over and the necessity has passed by. Will you discuss that point?

Mr. MORRISON. I will do that, and it is an interesting proposition that it was forced into bidding to get the men into the industries where they were manufacturing the implements and munitions of war.

All of the men have not been demobilized yet. When they started to demobilize at the rate of 300,000 a month, and would have them demobilized very shortly, I called attention that if you demobilize two or three million people in this country, that it would mean bread lines, and the result of the general agitation was that the demobilization did not proceed as rapidly as it was claimed—in fact, I take it that there is—I do not give the number, but I suppose there is—between one and two million soldiers yet to be demobilized, and at the present time there is a great deal of unemployment in the country.

Senator KENYON. While you make that statement that there is a great deal of unemployment in the country, let me ask you, Is the labor surplus growing less in the country? Is that problem as serious as it has been in the last three or four months?

Mr. MORRISON. I took a survey some months ago, in which you will find a very large number of unemployed in about 51 cities, which would show by that survey that there is probably a million unemployed in the country.

Senator KENYON. What are the conditions in the country which would account for this unemployment?

Mr. MORRISON. The miners' president advised me that there are about 40,000 or 50,000 of the miners who are unemployed at the present time.

Senator KENYON. Why should that be?

Mr. MORRISON. Because the miners were, during the war, working at a greater capacity than ever before, and they piled up a lot of coal, and they have coal now held for distribution and have not the market for it.

Senator KENYON. But we are told in the newspapers and elsewhere that there would be a shortage of coal this winter.

Mr. MORRISON. That is not the fault of the miners not being able to mine it. They can mine the supply—

Senator KENYON. Well, why is it? What is the reason?

Mr. MORRISON. Probably it is the question of distribution.

Senator KENYON. You do not think there is any real attempt to produce a coal shortage this winter on the part of anybody, do you?

Mr. MORRISON. You know that all corporations, many years ago, when they started to form trusts, it was said that it was for the purpose of limiting the supply to the actual need. That is what the coal companies are doing now, they are just mining what they think they will need. The president of the United Mine Workers went through England and France for the purpose of endeavoring to arrange for coal, to supply coal from France and Italy. I asked him what success he had, and he said he was satisfied with his trip, and I read something in the newspapers that because of the limiting of the

output probably in England that there would be a possibility of selling 40,000,000 or 50,000,000 tons of coal to these countries.

Senator KENYON. Have you seen those articles in the New York World, I think it is, charging a deliberate attempt to create a coal shortage? They have been running a series of articles on that subject. Now, if that is so—and I do not say whether it is or not—it is not due to the fact that they can not secure the miners, is it?

Mr. MORRISON. No, sir; it is not. The miners are idle now.

Senator KENYON. The miners are idle now?

Mr. MORRISON. The miners are idle now and have been.

The CHAIRMAN. About how many people are engaged in mining, do you know, Mr. MORRISON?

Mr. MORRISON. At least, in the coal mining, there must be about half a million or more, and the reason that I say that is that there are 400,000 union men affiliated with the Federation, and there are some fields that are nonunion.

The CHAIRMAN. You spoke of the percentages before of idle men.

Mr. MORRISON. Oh, yes.

The CHAIRMAN. A short time ago.

Mr. MORRISON. Now, in the building trades, there are a lot of them idle throughout the country, and that is one of the reasons that we urged Congress to order all contracts, or to supply money for all contracts that had been awarded by the Government, to start up all these occupations so that it would take up the unemployed and give an opportunity for our soldiers and sailors when demobilized to get employment. That is one of the reasons that I wanted immigration stopped for four years, to give an opportunity for all our soldiers and sailors and all our war workers and all our citizens to get employment, because I hold that the men who worked during the war long hours in the factories, and worked continuously, they have got a right to be considered. He should have an opportunity to have his employment where he can live in reasonable comfort. We have gone along on a living wage. That is not a proposition that appeals much to me, that a citizen should just have a living wage; he should have a wage with which he can live in reasonable comfort.

Now, what has happened during the war? The cost of living has increased up to December, 1918, about 80 per cent, and in some States 86 per cent, and my information is that for January, February, March, April, May, and June of this year that the Nation's figures will show an advance over the rates of 1914, and I want to make this statement, that except where people were working below the living standard, not a trade has received an increase in wages sufficient to enable the money that they receive to-day to purchase the same amount that it did in 1914, what they got then. I would like you to keep that in mind, that they have lost the standard, but notwithstanding that it was declared by the council of national defense that the standard should not be lowered. In the great printing trades, of which I am a member, from 1915 to 1917, they got a 6 per cent increase, when their increased cost, 44 of them, ran up as high as 105 per cent. We had a very good wage at that time, and, therefore, they were able to live on the wage they had with which they were receiving, and I am sure that it has come to your mind, about this increased cost of living, it came on us so quickly, so quietly, that the people did not know it themselves. First, Hoover said "Eat less meat; meatless

days; use substitutes; reduce the amount that you consume to help feed the people of Europe." And they all did that. Men did not buy clothes; they did not buy furniture; they did not paper their houses, and did not paint their houses, and because of all this we found that their wages and extra overtime that they worked, because of all this, they got through, and after the armistice was signed they came back to find the conditions and found that they had a supply of things they had not bought during the years, their wages would not meet it, and the Government figures show the cost of living, that it took \$1.80 to-day to provide what \$1 would do in 1914. Now, we are having strikes all over the country. They are just commencing. The workers are going to insist that the employers, that the increased cost of living—

The CHAIRMAN (interrupting). And that is the cause of the strikes, is it, Mr. Morrison?

Mr. MORRISON. That is the cause of the strikes.

Senator KENYON. And are they attempting to reduce wages now?

Mr. MORRISON. In some places they are trying to lengthen the hours. It reminds me of a condition in this city when street car men were working 10 hours a day, and they wanted more wages, and they said they would increase the wages, but instead of increasing the wages they increased them by working them one hour more each day. They really did not increase the wages, but increased the hours. The wage workers now are after a 44-hour week, and they want the wages adjusted to meet the increased cost of living. They want the same purchasing power that they had in 1914, and in some cases, where they are underpaid, they want an increase of wages.

The CHAIRMAN. There are a good many strikes which, by the papers, are not attributable to that, are there not? For instance, I saw that they are going to organize all the metal workers, and they are striking because they want to build up the organization. I see that they are advertising in the city of Washington and will pay \$1.10 an hour for mechanics to lay bricks, and affiliated workers. That is a pretty good price. Is not that an increase which would meet that 80 per cent increase?

Mr. MORRISON. No, sir.

The CHAIRMAN. That is more than 100 per cent increase in the wages, as I look at it.

Mr. MORRISON. I will give you a proposition that I was interested in.

The CHAIRMAN. Yes.

Mr. MORRISON. The New York newspaper managers and the printers of the newspapers accepted me as an arbitrator—

The CHAIRMAN. Yes.

Mr. MORRISON. And the printers asked for \$9 increase in wages. I went very thoroughly into the cost of living, and I found that the printers were receiving \$30 a week for their work in 1914.

Mr. CASEY. \$30 a week?

Mr. MORRISON. \$30 a week—that is, six days for \$5 a day, and that the increased cost of living figures were 78.79 per cent, and the men should receive, in comparison with the increased cost of living, \$53.60 a week, to have the same purchasing power of 1914.

The CHAIRMAN. To put them on the same—

Mr. MORRISON (interrupting). And the printers had only asked for \$9 a week. They had received \$4.50 in the meantime, so I made

this award: I said if the printers had received the increased cost of living to meet it as it came along on the \$30 a week basis, they would have to receive \$53.60, and the \$9 per week that they were asking for would make \$43.50, leaving still approximately \$10 of a burden which they will have to bear, until the cost of living is decreased or the newspaper people will increase the salary.

Senator KENYON. When do you think the cost of living will be decreased?

Mr. MORRISON. I think it will not be decreased. I think we must base our future wage schedules and the cost of products on the prices that are existing now.

Senator KENYON. Well, the cattle market has gone to pieces in the West and the Middle West, but there is no reduction in the price of meat to the consumer.

Mr. MORRISON. That reminds me, in talking with the publishers, one of them said, "I think, Mr. Morrison, when wheat is taken out from under the food control that the prices will go down."

Mr. HERSEY. Is it your idea to attempt the lowering of the high cost of living? Is that your idea?

Mr. MORRISON. I will come to that when I have finished this. I said, "That may be true or it may not, but this is true: Pork was taken out from under food control, with the expectation that it would go down, but instead of going down it went up. The reason is that Hoover said wheat would not go below \$2.26, and corn then came up to the level, and corn is fed to the pigs, and, of course, that product went up." I said, "That is the condition." Since that award was made, I think this report will come out from the Department of Labor in a few days, and it will show that there has been a substantial increase during the last six months.

Now, in answer to this question, organized labor has established standards of living. They hold that they produce the products; their labor produces it; and they ought to have reasonable hours and wages in which they can live in reasonable comfort and educate their families. If the cost of living goes up we say that the wages should go up to meet it.

Mr. HERSEY. In other words, if you have 48 hours a week, or 42 hours a week in place of that—or 44 hours a week instead of 48 hours a week—you would raise the high cost of living to meet that.

Mr. MORRISON. Well, that is a debatable question.

Mr. HERSEY. Well, it can not be.

Mr. MORRISON. Yes; it is a debatable question, and I will tell you why it is debatable. We have a man in England who has written a book and who has put it into practice, and he claims that under the shorter workday of six hours in the course of a year he produces as much as he did under the 8-hour day.

Mr. HERSEY. But you do not believe that?

Mr. MORRISON. I believe that where you have a highly specialized industry, where the men are trained to that and where they are putting in the six hours, they are putting in all of the energy that is possible.

Mr. HERSEY. But I am not speaking of specialized labor; I am speaking of general labor, not highly specialized industries, because there are only a few of them.

Mr. MORRISON. Well, I wonder; I wonder. The industries we have in this country have all been specialized. We have Mr. Ford here in the automobile industry, who put in an 8-hour day, and he paid \$5 a day. We appreciate that, but what did he do prior to the time of putting it in? His agents went around and hired all the best men and he gathered around him the most skilled men, men that are worth \$5 a day in comparison with the others.

Mr. HERSEY. And then he bought in all of the minority stock, did he not?

Mr. MORRISON. Well, I do not know anything about that; I am not going into that, because that might take up a long time. I want to get to this one proposition, and let us get back to the proposition of the employment.

Senator KENYON. But we are getting some very good information from you.

Mr. MORRISON. Anything that I have the committee is welcome to.

The CHAIRMAN. It is your statement that there is a great amount of unemployment in this country, and that statement has been challenged by witnesses here—

Mr. MORRISON. There is a great amount of unemployment in this country.

The CHAIRMAN. But that has been challenged by witnesses here who say that there is a job waiting for every man.

Mr. MORRISON. Did they say where it was waiting?

The CHAIRMAN. Waiting here in this country for them, and I have read in the papers that they want a thousand mechanics at \$1.12½ an hour.

Mr. MORRISON. Well, that might be true in a certain city. For instance, I understand—

The CHAIRMAN (interrupting). I should say 2,000 men.

Mr. MORRISON. A man came here the other day and stated that in Massachusetts that there was no unemployment there. Was that statement made?

Mr. CASEY. That statement is correct. That was made.

Mr. MORRISON. Here is a statement issued by the bureau down there itself.

Mr. CASEY. In Massachusetts?

Mr. MORRISON. In Massachusetts, showing the unemployed on March 31, 1919, 28,569.

Senator KENYON. What is the date of that?

Mr. MORRISON. March 31, 1919, and it gives the employment year from 1909, each quarter.

Senator KENYON. And what percentage of that is it to the men employed?

Mr. MORRISON. 11.2 per cent.

Mr. HERSEY. You say that there are a good many strikes in the country. When a man is on a strike you look upon him as unemployed, do you not?

Mr. MORRISON. No, sir; we never did. I might possibly start off with a proposition about unemployment and get down to the cold facts about it.

Mr. HERSEY. What is the cause of the strikes in the country now, Mr. Morrison?

Mr. MORRISON. The endeavor of the employers to force the men back to prewar conditions, as to hours and wages.

Mr. HERSEY. Do they want the men to work eight hours?

Mr. MORRISON. They want them to work 10 hours and 12 hours.

Mr. HERSEY. And are any of them striking for 44 hours—44-hour weeks?

Mr. MORRISON. I hope so. But we do not want strikes. We want to settle disputes by collective bargaining and by agreements, and we are coming to it.

Senator KENYON. Labor has a notion that this a new world for labor as much as it is for anything else, has it not?

Mr. MORRISON. Really there has been in the last seven or eight years; there has been a feeling coming over many of the Senators and Congressmen that all the citizens should have an opportunity to live in reasonable comfort. They have seen the iniquity of monopoly and the power of great groups to keep their men in subjection as to hours and wages and conditions, and they are endeavoring to get legislation that will bring about this change. Now, our people that have gone to war, and who have made a fight there for democracy, and you know the democracy to me means equal opportunity. I know that there are some people who have different ideas of what democracy means. It reminds me of a little story which will give you an idea in regard to what people think of democracy. I do not like to take up the time to tell that story, but it will only take a couple of minutes, and in those two or three minutes I may be able to give you an idea as to democracy.

I was coming to Washington on a train, and I heard some man say, who was sitting on the seat near me, "I am 29 years of age. I am from Oklahoma. I was born in Virginia, and I worked in a bank in New York, and I want to say that any young man can become rich if he wants to. I am worth \$50,000 and nobody ever gave me any assistance." Well, I turned to that young man and I said to him, "I know a great many young men myself, and I would like to ask you a few questions. I will say, first, that I think you believe what you say." And then I asked him, "Did you go to a common school—did you have the benefits of a common-school education?" He said, "I did," and he seemed quite offended that I should ask that question. "Did you go to high school?" I asked him. "Yes, sir." Then I asked him, "Did you graduate from the University of Virginia?" He said, "Yes, sir." Then I asked him, "What did it cost your father to send you to the University of Virginia?" "Well," he said, "I am not a spendthrift; I live frugally, and I should say that it cost \$700 a year." Then I asked: "You went to New York, you say, and you went into a bank?" He said, "Yes." "Didn't your father pay most of your expenses there?" I asked him.

"Yes," he said; "I think any young man would be very glad to work in a bank for two or three years in New York for the experience that he would get there." Then I said, "You went to Oklahoma, and your father was a wealthy man, and did he not say to the people there that you are 'all right; treat him right; it will be all right?'"

"Yes," he said, "but nobody ever gave me a cent."

Now, that was that young man's idea of every young man having an equal opportunity to get rich.

Then I said, "I want to ask you a question: Do you think that the young man who went into a mill when he was 10 or 11 years of age, and worked there for his living; do you think that he had an opportunity to become rich?"

"Well," he said, "of course, I did not mean that."

"You mean," I said, "that the son of a man who was wealthy, who was given a high-school education, and who was given a university education, and who was sent to New York through a bank, and his expenses paid by his father, may become rich?"

Now, that is only 2 per cent of the young men of this country, and what we are interested in is the other 98 per cent, and I will not be satisfied until those 98 per cent have the same opportunity that you have.

Mr. MACCRATE. Would you say that a man who did not know who Maj. Andre was, who did not know a lot of facts about American history, and yet who received \$100,000,000 in dividends last year, and who had never had a high school or a college education, would you say that he lacked the opportunity of getting rich?

Mr. MORRISON. Well, the mere fact that a man may know who a certain major was, or the mere fact that a man has read history—that knowledge in itself does not do the world's work. I am talking about a vocational training. A man may know, he may know who Maj. Andre was, or he may know history very well, but he would not know how to do a plumbing job. It is every man to his trade—

Mr. MACCRATE. I want to direct your attention to the testimony of a certain gentleman yesterday, in order to show that there is an opportunity in America for a man to go to the limit, and accumulate great wealth without education. I do not like to hear people say that the people in America to-day do not have equal opportunity. I believe that there is equal opportunity for the people of America to-day.

Mr. MORRISON. Pardon me. You are not talking seriously? I want to answer your question, if you are talking seriously.

Mr. MACCRATE. I certainly am talking seriously. I believe that, so far as the accumulation of wealth is concerned, that the opportunity to-day is equal here in America. That is not my standard of life at all. I try to put that out of my life, but when you talk about the accumulation of wealth, you will find to-day that the men who really possess in this country the great wealth of this country have never had any high-school education, such men as Carnegie, Rockefeller, and Schwab, and Mr. Morgan.

But let us go back to the question of employment for a while. I will go back to that. The mere fact that four or five men who have become industrial barons, as I call them, and who have made their wealth by exploiting labor—surely that is not a justification for a system that would make such men rich, is it?

Mr. MACCRATE. I am not trying to justify the system at all.

Mr. MORRISON. You would justify the system that made Schwab of the Steel Trust, where they have made men work 13 hours a day, and every second week 24 hours a day, at 11 cents an hour.

Mr. MACCRATE. I am talking about the opportunity of becoming wealthy in this country, and I am saying that many of the heads of industry and many of the very richest men have not an education.

Mr. MORRISON. That is on the same proposition that every young man born into the country has an opportunity to be President of the United States.

Mr. HERSEY. But is it not the expectation of the laboring men, working in the ranks, that they will become managers? Is not that their expectation? Have they not that expectation?

Mr. MORRISON. No; they have not.

Mr. HERSEY. You mean to say that they have not any ambition?

Mr. MORRISON. Oh, yes; they are all born with ambition. They read the books that are furnished them, which probably should be revised to some extent, when they put the dollar above human kindness. They all have the ambition. They like to read and see what people have accomplished. They may all have those ambitions, but the ambition of the worker is to have such employment that he will receive enough to give his family an education, and that is what they do not get.

Mr. HERSEY. Some Members of Congress work 16 hours a day—

Mr. MORRISON. And there is nobody complaining. You are representing the people and you should work. The man who does not work is not fulfilling his job.

Mr. MACCRATE. Is it not a fact that the attitude of the average mechanic is that he does not want his son to be a mechanic after him?

Mr. MORRISON. Yes.

Mr. MACCRATE. And why is that?

Mr. MORRISON. I understand—let us see why; let us see why. Any man working for the Steel Trust—we will see why—and he is working 13 hours a day and seven days a week; he does not want his son to do that work. He would want his son to work at something where he can get shorter hours; but put the Street Trust employees on an eight-hour day and give them enough to live in reasonable comfort and they will be glad to have their sons work there. You do not get the psychology of the worker; the psychology of the worker wants his son to get into an occupation where he will have steady employment and be able to live in reasonable comfort.

Senator KENYON. But you do not preach the doctrine that there is not a great opportunity in this country for poor men's sons, do you? I think that the poor man's son has a better opportunity than the average rich man's son.

Mr. MORRISON. That is predicated on the fact that a rich man's son becomes indolent because of the wealth he has and that he won't work.

Senator KENYON. And it is very seldom that you see a rich man's son amount to anything?

Mr. MORRISON. That is because of his wealth. They are handicapped because they will not do the work. I remember this incident happening here: I was before a committee, and a man came before the committee and he said that he worked 12 hours for the Steel Trust, and he went to school and he became an attorney, notwithstanding working 12 hours a day, and I called their attention to the fact that if that man worked but eight hours a day he could then go to a law school and become an attorney during the time that he worked. Any man who works 12 hours a day and studies afterwards is taking it out of his life blood, and the only argument that

can be made of the wealthy man's son is that the wealth makes them indolent, they will not work, but I think that there are a great many of the sons of wealthy men who have become good citizens.

The CHAIRMAN. I read with a great deal of interest a statement filed here which pretends to tabulate the unemployment in the different States of the Union.

Mr. MORRISON. Yes.

The CHAIRMAN. But it does not give a million men out of employment.

Mr. MORRISON. Well, that is easily explained. That does not show it all. They only give a certain number of cities, and they do not cover all of the cities throughout the country. They do not attempt to cover it all.

The CHAIRMAN. Then that is not supposed to be a complete statement?

Mr. MORRISON. No; only a survey of certain cities which are supposed to be typical of all the rest. I will go back to unemployment. In 1912, as I remarked, during the last of President Taft's administration, or prior to that, President Gompers and I went to Mr. Nagle, of the Department of Labor and Commerce, and asked that a survey be made of the unemployed in this country. He agreed to it, and a survey was taken, but they found there were so many people unemployed, running into the millions, that they never published it—did not dare to—and when the change of administration took place and the Democrats came into power we went to the Democrats and asked for it, but they did not publish that; and there is no reason to suppose any other reason than the fact that the unemployment was so immense, and it was proved—that is, when the war started first, in 1914, and then when the war was declared by the United States—it was not until we started in and had over 3,000,000 people out of the country that any effect was felt on the lack of people to work. The only difficulty was to get them from one occupation into another. In other words, it was all that time taking up the slack, taking up the unemployment, that existed in this country; and prior to that, you must remember, we were having coming into this country immigrants at the rate of 1,000,000 to 750,000 a year.

Mr. HERSEY. Do you mean coming in now?

Mr. MORRISON. No; prior to the declaration of war.

Mr. HERSEY. What about now?

Mr. MORRISON. I will give it to you. In 1913 there came into this country 1,075,000 people; in 1914, 688,459; in 1915, 250,678; in 1916, 355,767; in 1917, 152,000; in 1918, 115,000; and for the first three months of 1919, 34,000. That would be an average for the year, if it did not increase—which it will, very likely—of 150,000. Now, notwithstanding all the decrease in the number of people coming into this country, it was not until we had over 3,000,000 people in the Army that we had any lack of workers in this country.

Now, with the signing of the armistice, 4,000,000 people have got to come back into the occupations. Our people, it is true, were working more steadily than ever before—that is, everybody—and it was demonstrated during the war that the claim that some people did not want to work is not altogether true, because there were many men who had been down and out and who could not secure employment

who secured it, and as a result they are working to-day. They have been made over.

Mr. CASEY. Now, Mr. Morrison, before you get away from that immigration question I would like to ask a question of you, and that is, Would not this bill, if it became a law, would not a State-Federal bureau help to distribute those as they come into this country?

Mr. MORRISON. There is a condition that has grown up in this country in which the various peoples of the world that come in here have been colonized. They were brought in here to reduce wages, to keep wages down, for the packing-house employers always wanted to have five or six hundred at their gates every Monday morning as a silent witness, so that they can say to the man applying or to the men who are working for them, "If you will not accept work at such and such a price, we can get somebody to work in your place." That was so with the Steel Trust, and so in the mines. Now, my idea is that that employment service could be used for the purpose of distributing the workers that come here and prevent colonization. In Australia 500 Italians are taken in there; they are not sent to one city; they are split up into 20 to a lot and distributed all over, where they are taken up by the various communities and absorbed and become citizens, learn the language, and they are not colonized into a little group or a group of that particular nationality with their own newspapers and adopting all of the ideas which they brought with them. They must do that, because they have had no opportunity to get new ideas. They are not at fault, but they are brought over here for the purpose of keeping down wages. The idea is cheaper labor. Mr. Gary, of the Steel Trust, during the war advocated taking over in this country a million Chinamen, and the attorney for the packing-house employers said that there were 4,000,000 Chinamen that could be brought over here to be used in agricultural work. Why? So that they would drive the agricultural workers—the white men—out, and they would have to secure other employment, and they would have to go into the steel industries and into the packing houses and lower wages. The group of people that want cheap labor are always working in that way, and we have communications that appear in the magazines, and when we see an article written in a certain magazine on that subject we watch for the other magazines, and it goes into one magazine after another, publishing the proposition of the necessity of getting cheap labor. They wanted to bring them into the South.

So, as I say, the United States Employment Service could be used for the purpose of distributing the immigration to this country to situations, and in connection with that it would prevent colonization.

Mr. CASEY. I had in mind the possibility for that, and I wanted to get your idea on that.

Mr. MORRISON. There is something else, in addition to that. I had a contention with Mr. Strauss, when he was Secretary of the Department of Commerce and Labor. They got up a beautiful sheet. They were going to send communications into all of the countries, giving a perspective view of the various States, and the work that could be done in the various States, asking for immigrants to come to this country. We protested against that. We protested against the Government sending over glowing accounts issued by the representatives of the various States to bring an oversupply of people into

these various States, to the detriment of the people working there, when but a few people would be needed to supply the demand.

Mr. HERSEY. Are you in favor of restricting the immigration laws?

Mr. MORRISON. I am in favor of putting in a restriction for four years; for four years to not permit anybody to come in until such time as every one of the soldiers, and sailors, and our workers have secured sustaining employment at wages at which they may live in reasonable comfort. We have no desire to restrict the immigration for restriction's sake, only to protect the workers here, and I am opposed to orientals being admitted to this country. Our civilization can not live under those conditions.

The CHAIRMAN. You said that the increased cost of living was about 80 per cent. Can you tell us what the increase has been in the price of wages during the same time—during the same period?

Mr. MORRISON. We have not been able to get those figures; it is very difficult, because the wages differ in every State, and in every town, and in every city.

The CHAIRMAN. So far as I know, they are quite double what they were before the war.

Mr. MORRISON. Quite what?

The CHAIRMAN. So far as I know, they are quite double of what they were before the war. Before the war a mason tender got from \$1.75 to \$2 a day, and now you pay \$4, and you pay the mechanics twice the amount they received, and I know that farm labor you pay almost twice as much as you did before. Of course, that comes within my own narrow observation.

Mr. MORRISON. During the war period, when so many were needed for laboring work, and who were taken into building cantonments, and taken into the war, there was a scarcity of what you would call common labor, because the men could get into other occupations.

The CHAIRMAN. That was temporary.

Mr. MORRISON. That was temporary, and I am sure that will adjust itself, because after all we must admit that the hod carrier and the laborer have a wife and a family to take care of and to educate just the same as the blacksmith, or just the same as the legislator.

Mr. MACCRATE. But those families are mostly larger, however.

Mr. MORRISON. That is a sinister sidelight on intelligence.

Mr. MACCRATE. But I have noticed that the poorer families have the larger number of children.

Mr. MORRISON. Is that because of more vitality?

Mr. MACCRATE. Well, it requires more money to support them. I do not wish you to think by my remark that I am in favor of giving union labor a low wage.

Mr. MORRISON. Well, of course, the wage rate, the family budget is based on a man and a wife and some children, but the Anglo-Saxon race, I hope, will see to it that they raise large families.

Mr. HERSEY. And when the hours are shortened and the wages are raised the high cost of living must go right up. That is inevitable.

Mr. MORRISON. Do you mean when wages—

Mr. HERSEY. When wages go up, the high cost of living has to go up, that is inevitable.

Mr. MORRISON. I put it the other way, that when the cost of living goes up the wages ought to go up.

Mr. HERSEY. But it does go up—

Mr. MORRISON. But not in comparison.

Mr. HERSEY. The law of industry forces it up, doesn't it?

Mr. MORRISON. Or the law of necessity.

Mr. HERSEY. Well, you may call it necessity, or whatever you want to. I guess that is the better word. The law of necessity forces it up.

Mr. MORRISON. But where a trade establishes a scale where there is a surplus over the actual cost, they can use that surplus up before they get the increase in wages, and that is what is done.

Mr. HERSEY. But let us take an illustration: Here is a factory that makes shoes. They cost me so much. They have to use the shoes and I have to use the shoes. In the factory, we will say, they have a great many hands who work certain hours at certain wages. Now, if they work shorter hours, and get higher wages to produce that product—

Mr. MORRISON. Yes.

Mr. HERSEY (continuing). If they ask for the shorter hours and the higher wages and the employer accedes to the request, and he shortens the hours, don't I have to pay more for my shoes?

Mr. MORRISON. Do you know how much labor of the shoemakers goes into the making of a pair of shoes?

Mr. HERSEY. Well, it makes no difference—

Mr. MORRISON (interrupting). The Department has investigated that, and it costs 31 cents to manufacture an ordinary pair of shoes. The extra cost comes back from the cattle, and the hides, and distributed among the people that handle the raw material.

Mr. HERSEY. Have the wages of the men who have not been organized into trades unions kept equal pace with the men who are organized into unions, in comparison with the high cost of living, or have the labor unions, because of collecting bargaining, been able to force up higher wages.

Mr. MORRISON. The organized labor has been able to have conceded to them substantially increases in wages, but that is principally in the shipbuilding and munitions factories and in other factories whose products were used during the war. Those industries whose products were not needed in the war work, who were not considered a war industry, in those industries they did not fare so well, and I question if there is any industry outside of some laborers that have received the full increase to the cost of living. I do not know of any.

The CHAIRMAN. Could you put into the record, or have one of your assistants prepare for the record, the number of employees at a recent date who were out of work, the number of unemployed, according to your estimate, and you could get together a percentage of the increase of wages since the war began? We would like to have that.

Mr. HERSEY. And the sections of the country where the unemployment is, and how much it is?

The CHAIRMAN. You can bring it down to date. We have to get away from here in a little while, and we have other witnesses here. Could you come here again? There are a couple of witnesses here, and if there is anything that occurs to you we would be very glad to have you come again.

Mr. MORRISON. I have got the figures of Massachusetts.

The CHAIRMAN. That is a way back.

Mr. HENRY STERLING (legislative representative of the American Federation of Labor). It is March 31.

Mr. MORRISON. That covers Massachusetts down to March 31, 1919, that comes next door to the Congressman from Maine.

Mr. STERLING. And it shows on March 31 over 11 per cent out of work, which means nearly 400,000 in Massachusetts. You want to know where the unemployed are. It will answer that.

Mr. HERSEY. We would like to know just where they are, if it is in Boston or in Fall River, in order that we can verify it.

Mr. MORRISON. I will put this in the record for Massachusetts, and I will take the trouble of getting the information from the other States.

The CHAIRMAN. We will be very glad to have such a statement, if you will get it, for the benefit of the committee.

Mr. HENRY STERLING. There are the Massachusetts cities, Mr. Morrison [indicating on a table]. You ask for the cities, and there they are.

Mr. MORRISON. There are really two points that I want to take up. We diverted, of course, into the unemployment, and I wish that this committee had the power to secure the publication of that survey that was taken by Secretary Nagle, as it would give you some idea of it at that time.

Mr. CASEY. Do you know what year that was?

Mr. MORRISON. It was probably in 1912.

Mr. CASEY. Have you seen that report yourself?

Mr. MORRISON. It has never been published.

Mr. CASEY. And is it still in existence in the Department of Labor?

Mr. MORRISON. They did have it there. I do not know whether it is there or not. I have not any official information, but it was percolated through to me, and some one said that it was not a fair one, because it was taken at the time there was so much unemployment.

Mr. HERSEY. That is when they were enacting the Underwood tariff law, was it not?

Mr. MORRISON. I do not know, but I do know that at that time we had bread lines in Chicago and in New York and all over, and in Canada the unemployment was simply beyond description, and the war came in and it took up the unemployed.

Now, we are going to meet a situation in this country that it would be well for the Senators and the Representatives to look forward to. I am hopeful that after every one is demobilized that our industries will resume to a great extent, and that our people will be taken up, but I am fearful of a large number of unemployed. I feel that if the immigration law is passed to prevent them coming for four years that will give us an opportunity to adjust ourselves.

Senator KENYON. Is there any such bill pending now?

Mr. MORRISON. Mr. Johnson was to introduce the bill in the House. If that bill is passed it will be a great help, and I wanted our Government to pay the soldiers until such time as they secured employment. Now, the wage earners of this country are numerous. It is through their effort that everything is produced. Now, you spend millions to assist the farmers; you send men into the Sahara Desert to get a plant, a he plant to match a she plant. You go to the snowy vastness of Russia to get grain that will grow in Colorado, and it is money well spent. Now, I hold that we should have ma-

chinery under the Department of Labor, a department we struggled to get and secure, to look after the interests of labor, and then after getting the department we should have this bureau to look after the unemployed. If there is unemployed in one State, arrange to take it to the other States where they can secure employment. It is a clearing house, if you want to call it such, in conjunction with the State bureaus. I feel that they can work out a plan that they can at least put every man that is unemployed to work where there is work.

Mr. HERSEY. Well, if you raise the wages of the farm laborer before the war, won't the farmer raise the price of wheat in order to meet that?

Mr. MORRISON. Yes, sir; yes, sir; and the wage workers are willing to pay the price for their bread, because they do not want to live in comfort themselves at the expense of the other citizens. They want them all to live in reasonable comfort.

Mr. MACCRATE. Does the idea of the transfer of labor from one State to the other raise the question of labor being a commodity? Does it not fix in the minds of the ordinary man that labor is a commodity?

Mr. MORRISON. It does not fix it in my mind at all that it is a commodity. When I say that the man will be transferred, I mean that the man will be moved; he will be informed where the work is and he will go there. The men do that now. When I said "transferred" I meant that the men would find out where the work was and they would go there, and I do not see any special reason why special rates might not be made to the men in the railroad fares, not for the men's sake, but to assist in planting the crop and also in reaping it. But under the existing laws I suppose they could not do that, except they had special legislation, but I want to impress upon you that I feel that if Congress desires to be of assistance to the labor of this country, that it ought to strengthen the Department of Labor by making this a permanent bureau and giving them sufficient money to carry on the work in the way it should be carried on; and I think that you will need the service of this bureau during the next few years, and it will be of great help.

Mr. CASEY. Has the American Federation, by the action of its convention, indorsed this bill in any way?

Mr. MORRISON. Yes; that was placed in the record by Mr. Sterling. It has indorsed the bill by the unanimous vote of the convention. Labor feels that this bureau should be made a permanent bureau under the Department of Labor.

Now, I have heard some criticisms that it was not efficient. Of course, it was not efficient. It never has had the money; it has never had the time to perfect the organization. It takes time. But it can be changed. That is a matter of time; and it will become efficient; but it has been a wonderful help to our laboring people, and our laboring people are looking forward to the time that it will take care of the unemployed.

Now, mind you, the organized workers look after their own people. It is the unorganized worker that we are interested in, and we speak for them. We want to see them protected, and we want to see them employed—

Mr. HERSEY. But you are representing the united labor, the organized labor?

Mr. MORRISON. Yes, sir; and also the unorganized.

Mr. HERSEY. And you have your own employment service in the organized labor?

Mr. MORRISON. In the unions; yes, sir.

Mr. HERSEY. And you have your own employment service and can place your men through your own employment service, and you do not need it?

Mr. MORRISON. The organized workers do not.

Mr. HERSEY. And this employment service contemplated by this bill would be beneficial only to unorganized labor?

Mr. MORRISON. Well, we are interested in them because we expect to organize them.

Mr. HERSEY. But the moment that you organize the men they will have no interest in this United States Employment Service?

Mr. MORRISON. But there happens to be a good many who are not organized, and until such time as that is perfected you want to take care of unorganized labor.

Mr. MACCRATE. Can you not think of any way in which this employment service might injure organized labor? For instance, suppose you had a strike and the present policy of neutrality was not observed, and the man at the head of it was unfriendly to the interests of labor, the one in charge of the United States Employment Service did not believe in neutrality, would it not be injurious to organized labor?

Mr. MORRISON. Well, that is a matter that can be straightened out. We have got men in office sometimes that are antagonistic and hostile to organized labor.

Mr. MACCRATE. There have been two State directors who have appeared here, and they said that they did not agree with the policy laid down by the Federal Government, and if they had their way they would send the men to places where there were strikes.

Mr. MORRISON. Probably that is true; they would help break the strikes; but the average fair man is not going to try to prevent another man getting shorter hours and better conditions. That will adjust itself, because the Government will put in men that are fair and who will not assist either side. Other countries have had this. Australia has had it, and it adopts the plan that they notify the people that want employment that there is a strike there and they can do as they please. That is the position of this.

Mr. HERSEY. Well, let us suppose that there is a strike of 10,000 men and they are out of employment—

Mr. MORRISON. Yes.

Mr. HERSEY (continuing). Then this Federal employment agency can not be of help to them.

Mr. MORRISON. But there is work there for them.

Mr. HERSEY. What can they do in the way of getting the plant to going again?

Mr. MORRISON. Well, there is a mediation department of the Government, and they can go in there and get the employers to agree to meet the men. There is no need of additional men there; there are enough men to take care of the work.

Mr. HERSEY. Then the Federal employment agency does not aid in settling the labor troubles at all?

Mr. MORRISON. They do not interfere with them.

Mr. HERSEY. They do not aid in settling the labor troubles. They may not interfere, but they do not aid. How do they aid in settling labor troubles, the Federal employment agency?

Mr. MORRISON. In the Department of Labor they have this mediation department. I know that the employment service does not, but the question was asked how they did, and I said the mediation department would send a mediator there and get the employer to come in and adjust the difficulties.

Mr. HERSEY. But that would be done if there was no employment agency, wouldn't it?

Mr. MORRISON. What?

Mr. HERSEY. But that would be done just the same if there was no employment service?

Mr. MORRISON. Oh, yes; certainly. But we have only been able to get this service going two years ago; and we had difficulty in getting sufficient money to carry that on.

Mr. HERSEY. Do you know anything about Arthur Woods's department in the labor service?

Mr. MORRISON. In connection with the War Department?

Mr. HERSEY. Yes, sir.

Mr. MORRISON. He has been able to put forward a good deal of publicity, I know.

Mr. HERSEY. Has he been of any benefit?

Mr. MORRISON. I do not know, but I want to say this: That you can not have two organizations doing the same work with satisfaction.

Mr. HERSEY. But why wouldn't Arthur Woods's organization, which is within the Labor Department, perform the work just as well as this? It could be a clearing house for labor, could it not?

Mr. MORRISON. Well, that comes back to the idea of why we should take an organization that is formed after this and put in that bureau rather than to have a bureau under the Department of Labor. That is in existence now.

Mr. HERSEY. You were speaking of the war. You were speaking of the war Federal employment agency, a war emergency organization.

Mr. MORRISON. We are in favor of the employment service that has been carrying on under the Department of Labor.

Mr. HERSEY. Are you in favor of the bill?

Mr. MORRISON. I am in favor of the bill; yes sir.

STATEMENT OF DUDLEY B. KENNEDY, FORMER DIRECTOR OF LABOR OF THE GOODRICH RUBBER CO., ASSISTANT TO THE PRESIDENT OF THE YOUNSTOWN SHEET & TUBE CO., DURING THE WAR MANAGER OF INDUSTRIAL LABOR RELATIONS FOR HOG ISLAND, AND NOW CONSULTANT ON LABOR EMPLOYMENT MATTERS.

The CHAIRMAN. What is your residence, Mr. Kennedy?

Mr. KENNEDY. My residence is Philadelphia.

The CHAIRMAN. We will be glad to hear from you.

Mr. KENNEDY. I only desire to say Mr. Chairman, that I am in favor of a national employment department. I have had some experience with the present bureau, as a bureau of the Labor Department, and while I do not have the temerity to say that they were perfect, or anywhere near perfect, they were a very useful instrument during the war. I do not think our particular operation, or any of the purely war operations could have functioned without them.

The CHAIRMAN. How many men were there engaged in that plant?

Mr. KENNEDY. Our maximum was about 35,000 in our plant.

The CHAIRMAN. And how many at the present time?

Mr. KENNEDY. I am not with any particular organization, but I am a consultant to several organizations.

The CHAIRMAN. And represent how many employments, would you say?

Mr. KENNEDY. Now, I do not purport to speak for those companies, Mr. Chairman, but there are represented in the companies for whom I am doing work at the present time about 75,000 or 80,000 employees.

Senator KENYON. Are you connected with the bureau here, the employment bureau?

Mr. KENNEDY. No; not in any way.

Senator KENYON. Not in any way at all?

Mr. KENNEDY. No, sir. To be perfectly fair with your question, I did, at the request of the War Labor Policies Board, come down here last summer, about a year ago, and do some advisory work with them, but without compensation.

Senator KENYON. And will you give the name of the companies you represent?

Mr. KENNEDY. No; the companies that I formerly worked for—

Senator KENYON. And you are not working for them now?

Mr. KENNEDY. Not those particular companies whose names I have given.

The CHAIRMAN. That is your statement. Do you wish to say anything further?

Mr. KENNEDY. I do not want to take issue with the previous speaker, but I want to say something that I know—that I have personal knowledge of; and that is that there is no unemployment problem in the United States, by and large, to-day, and I know of my personal knowledge of several cities where there is an actual shortage of labor. In Grand Rapids there is a shortage of between 2,500 and 3,000. In Detroit there is a substantial shortage. In Cleveland, Ohio, there is a substantial shortage. In Youngstown, Ohio, there is a substantial shortage. And in Akron, Ohio, there is a substantial shortage of men.

Senator KENYON. And how about Boston, Mass.?

Mr. KENNEDY. I am told that there are a great many others, but I do not know it of my own knowledge.

The CHAIRMAN. And Pittsburgh and New York?

Mr. KENNEDY. In Pittsburgh I am told that there is a serious shortage. In New York I think the best you would say would be that it is about an even break. I think that the soldiers coming in just about fill up the jobs. I perceive within the next year a condition of a shortage of labor equal to that during the war, if not worse, and I

believe in this sort of a bureau or department for the purpose of coordinating the efforts of the States, and taking care of the distribution and the dissemination of information about those cities where there is a shortage.

The CHAIRMAN. Whether there is a shortage or surplus, a free employment bureau such as mentioned here would function in either case?

Mr. KENNEDY. Yes; allowed to level up. I do not mean that it should be just a statistical bureau and clearing house, running—I believe that there should be some machinery. I know that some States have no State employment bureaus at all; and a great many of them, because of lack of proper personnel, have not been efficient departments. I think it should be a function of this department to assist the States in building this up. Possibly several years from now it could get away from those functions and give them to the States more and more, but there is a crying need at the present time for the development from a Federal standpoint of such an employment department.

The CHAIRMAN. Would you care to file any statistics, or make any supplemental statement?

Mr. KENNEDY. If you would like me to do that, but I would rather answer some questions. I would be very glad to answer any questions.

Mr. HENSEY. Your recommendation of an employment service—a Federal employment service—is based upon the fact that you had some experience during the war with a Federal employment agency?

Mr. KENNEDY. My experience goes before the war.

Mr. HERSEY. But there was no Federal service before the war?

Mr. KENNEDY. No; but I think—I have seen several times that it would be well if there had been.

Mr. HERSEY. That is a matter of conjecture—

Mr. KENNEDY. That is a matter of my own judgment.

Mr. HERSEY. But you have never had any experience in that—

Mr. KENNEDY. No; I never have been in trouble myself, but I have seen it by going to other States where there are supposed to be unemployed and trying to recruit men there. I have known of such trouble. I have had a man arrested and thrown into jail for trying to bring a man out of a certain job. There is no reason why we should—we wish this as an aid, and that is the employers' side of the case.

Mr. CASEY. Now, there is one thing that is not quite clear in my mind, Mr. Kennedy, and that is whether or not you are in a position to state the attitude of the manufacturers toward this service—

Mr. KENNEDY. Yes, sir.

Mr. CASEY. Generally speaking.

Mr. KENNEDY. I think that the progressive manufacturers of this country are for a service as outlined in this bill. Unfortunately, and especially during the war, a great many impractical employment managers sprang up. Employment management is a profession or an art, and it is a very new thing. There are not over 40 or 50 men in the United States that have been studying the profession from the employers' side. These employment managers grew up during the war period, and they could not produce the men themselves, a great many of them, and a great many of them used the United States

employment service as an alibi for their own shortcomings, and that is another side light that the employer got upon the United States employment service.

Mr. CASEY. Is it not a fact that the question became so important during the progress of the war that the Emergency Fleet Corporation set up a school to teach the men in regard to the question of becoming proficient employment managers?

Mr. KENNEDY. They did.

Mr. CASEY. Can you tell us anything about that?

Mr. KENNEDY. It was their purpose to train men in the handling of employment matters and the industrial problems of the plants, and the problem was so acute that the employment could not be handled in the old-fashioned way of individual foremen and superintendents taking care of the hiring of the men. It was found that it had to be done in a coordinating fashion, and it has become an art, in which men are engaged and paid good salaries.

Mr. CASEY. The Emergency Fleet Corporation found it necessary to break away from the old order of things and to start a new order—

Mr. KENNEDY (interrupting). I can say that it would have been physically impossible for the Emergency Fleet Corporation to have done what they did do if it had tried to follow the old methods for recruiting and hiring labor.

Mr. CASEY. I want to ask you one further question: Can you tell us offhand how many employees the Federal-State service furnished Hog Island during the period that you were with them?

Mr. HERSEY. What do you mean by Federal-State service?

Mr. CASEY. They functioned together in Pennsylvania.

Mr. HERSEY. And they did in every other place, didn't they?

Mr. KENNEDY. After the department really got into its stride and functioned properly we used it entirely and used no other agencies. Even where we used our own recruiting agencies we did so under the authority of the employment service, and had our men in many cases deputized by the United States employment service to take care of it.

Mr. CASEY. And you can not, offhand, tell how many employees were furnished?

Mr. KENNEDY. Well, the major portion of them were furnished by them.

Mr. CASEY. Can you ascertain the number and put it into the record for us?

Mr. KENNEDY. No; that would be impossible.

STATEMENT OF NEAL FARNHAM, LABOR REPRESENTATIVE OF THE UNITED STATES HOUSING CORPORATION PROJECTS AT PORTSMOUTH, VA., HEGGAMAN-HARRIS CO., CONTRACTORS.

Mr. FARNHAM. Mr. Chairman, I can only speak in a very limited way; that is, in connection with the Housing Corporation projects of Portsmouth, Va. When these housing projects were started a year ago, the 1st of August, 1918, I was asked to go down and take the position of labor and welfare representative for the work going on there; and for the first four months it was very hard for us to get labor of any kind, although we were working in conjunction with the United States employment service, by reason of priority of orders.

Those priority orders were for the Army and for the Navy, and we, being an industrial undertaking, had to take the distribution that would be naturally given us.

After the armistice was signed the thought went out that there would not be any trouble getting labor by reason of the large number of men that would be released from such plants as Tenniman and Hopewell and even Nitro, W. Va., but that was not true. While these men were released, there seemed to be a tendency, and it was a fact, that they all drifted back to the large centers, and it was then that we were put in a position where, through the efforts of the United States employment service, men could be gathered from different States and sent in to us, and our force was immediately filled up, so by the 15th of February we had on our job 4,000 men. These men were sent to us from the different States, drawing a line taking in Texas, and going up, taking in Arizona, and going up north and to the west, and taking in Kansas, Nebraska, Iowa, the two Dakotas, and Minnesota, and all through the East we had men brought into our plants by the United States employment service. Now, it would have been absolutely impossible for us to have carried out that project without the support we got from the United States employment service.

Mr. HERSEY. But would that be a condition in time of peace?

Mr. FARNHAM. It was the time after the armistice was signed. I can only state the facts as connected with that piece of work, and the experience that I had that would give me an idea of what the employment service would do and could do in times of peace.

Mr. HERSEY. That was demobilizing the labor plants and normal times.

Mr. FARNHAM. I can only give the two specific instances. There is a very great shortage of labor at Norfolk to-day. That is one of the points. About the 1st of May we were called on by the Housing Corporation to do some work that necessitated quite a force of painters. There were no painters in Massachusetts at all. It was a time when painters were needed, and they were employed pretty generally throughout the country; and through the efforts of the employment service, by means of taking care of the situation from Baltimore to Boston, we were able to supply our plants within three weeks from 45 men to 200 painters, and it was very hard at the time to get painters. I do not know what we would have done if we had not been backed by some big organization, bringing them to us.

Mr. HERSEY. You live where?

Mr. FARNHAM. In New York.

Mr. HERSEY. And you have an efficient employment service in New York, have you not?

Mr. FARNHAM. I am not particularly informed upon that. So far as the local office is concerned, the only experience I have had with the local bureau was in New Jersey.

Mr. HERSEY. Have you got a State labor employment agency in New Jersey?

Mr. FARNHAM. The local——

Mr. HERSEY (interrupting). I am speaking of the State organization.

Mr. FARNHAM. I know that in the city of Newark——

Mr. HERSEY. But do you know whether they have or not?

Mr. FARNHAM. I do not. My work has been, so far as the procurement of labor is concerned, almost entirely confined to the United States Employment Service, but I have had opportunities to be in localities where there were local bureaus, and, as a general proposition, in New York, when the United States employment office did not work with the State office—the Federal office was in conjunction with the municipal bureau there; and when the Federal authorities saw that they could supply us with labor from Newark the municipal bureau—

Mr. HERSEY (interrupting). But the municipal bureau and the Federal organization were together, work together, do they not?

Mr. FARNHAM. They had their offices together; and as soon as they knew that we were after labor outside of the city of Newark, that it was the thing to do—the Federal employment service brought the labor to us, and our work was entirely in connection with the Federal employment service. They furnished us about 10,000 men.

Mr. CASEY. Do you know whether or not the State of Virginia has any employment service?

Mr. FARNHAM. They have not down there; not as a State bureau.

The CHAIRMAN. We are very much obliged to you.

Mr. HALL. Could you give Mr. Densmore five minutes to put in a statement now?

The CHAIRMAN. Certainly.

STATEMENT OF JOHN B. DENSMORE, DIRECTOR GENERAL OF THE UNITED STATES EMPLOYMENT SERVICE.

Mr. DENSMORE. The recommendation of the advisory council of the Department of Labor in 1917, or in the early part of 1918—

Mr. CASEY. Allow me to interrupt you, Mr. Densmore. Is this in response to the question that I asked you at the early stage of the proceedings?

Mr. DENSMORE. Yes, sir. I have not had an opportunity to put it in before this. In the council of the administration, general administrator of labor, by the Department of Labor, the Secretary appointed an advisory council, and this particular item that they recommended I will put into the record, and I want to read you the names of the advisory council.

Mr. HERSEY. If it is going into the record, why should you take the time to read it?

Mr. DENSMORE. May I ask permission to read the names? The advisory council was made up of John Lind (chairman), former governor of Minnesota, and also former Member of Congress; representing the public; Mr. A. A. Landon, president of the American Radiator Co. and president of the chamber of commerce of Buffalo, N. Y., representing the employers; Mr. John J. Casey, former Congressman, representing labor; Mr. Waddell Catchings, president Sloss-Sheffield Steel Co., representative of the United States Chamber of Commerce on all war activities, representing the employers; Mr. John B. Lennon, the former treasurer of the American Federation of Labor, representing labor; Miss Agnes Nestor, Chicago, Ill., representing the women; Mr. L. C. Marshall, secretary, professor of commerce, University of Chicago, representing the public.

These gentlemen, in 1918, prepared an outline for a Federal employment service, which is almost exactly like the bill you are con-

sidering here now. I want to call your particular attention to one thing in that—the first and second paragraphs of that:

Your advisory council recognizes that this service, while tremendously significant from the point of view of war needs, has upon it a great responsibility in the period of reconstruction and in later years. We have accordingly, worked out a plan fitted to play its part in the stabilization of industry in times of peace. In so doing, however, we have kept before us the imperative need of efficiency in the present emergency.

In its fundamental features the plan we propose is a system which uses the State as the administrative unit with Federal supervision and aid. This contemplates having Federal land offices only in those States which have no adequate system of their own. Federal aid would take the form of money grants, appropriately safeguarded. Federal supervision (the money grants enabling effective control), would result finally in a coherent system operating on uniform policies and with standardized machinery.

That is the particular thing that I would like to have this committee remember, that these gentlemen, whose names I have read to you, men of ability and experience, outlined in February, 1918, this act for the creation of a Federal employment service, practically as written in this bill here, not only for the war policy, but, as I stated, for times of peace.

Mr. CASEY. I would like to ask this one question. This is going into the record by itself, and it may lead to many questions being asked why the Secretary appointed the advisory council. I think it would be well for the information of the Members of the House, and in justice to the Secretary of Labor, for you to file a statement showing what led up to the appointment of the advisory council, accompanied by the resolution adopted by the council of national defense, and being referred to the Secretary of Labor and by him referred to the President.

Mr. DENSMORE. The Council of National Defense outlined a program for labor administration. It was outlined by the gentlemen representing every walk of life, and it was presented to the President. It contemplated not only this employment service, but further bureaus to take care of the necessary activities. It was presented to the President, and suggested to the President by them that he should appoint a labor administrator to administer the program. The President approved the program, and appointed the Secretary of Labor as labor administrator. The Secretary of Labor called together an advisory council composed of the representatives of capital, labor, and women, and the public, mentioned above. This advisory council framed, indorsed, and presented to the Secretary the following cooperative national employment service bill.

The CHAIRMAN. The memorandum presented may be printed in the record at this time.

(The memorandum referred to is printed in the record in full as follows:)

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, February 6, 1918.

Memorandum for the Secretary of Labor.

Subject: Organization of the United States employment service.

I.

Your advisory council recognizes that this service, while tremendously significant from the point of view of war needs, has upon it a great responsibility in the period of reconstruction, and in later years. We have accordingly worked out a plan fitted to play its part in the stabilization of industry in

times of peace. In so doing, however, we have kept before us the imperative need of efficiency in the present emergency.

In its fundamental features, the plan we propose is a system which uses the State as the administrative unit, with Federal supervision and aid. This contemplates having Federal local offices only in those States which have no adequate system of their own. Federal aid would take the form of money grants, appropriately safeguarded. Federal supervision (the money grants enabling effective control) would result finally in a coherent system operating on uniform policies and with a standardized machinery.

II.

The accompanying organization chart shows the broad outline of the plan proposed. The following comments are in order:

1. Final control and responsibility rests with the Secretary of Labor, who delegates certain powers and intrusts certain responsibilities to a director of the United States employment service who has, under these conditions, full control of all divisions of the work.

2. The planning board is suggested because employment exchange work is a relatively new field, and a new organization operating in a new field may wisely provide definite machinery for study and improvement. An executive secretary, continuously resident in Washington, and securing advice and counsel from time to time from experts inside or outside the organization of the department, would meet the needs of this case. Either the executive secretary or an assistant secretary should assume the duty of establishing and maintaining friendly relations and connections with other executive departments, presumably serving as the chairman of liaison officers from those departments.

It is not contemplated that this planning board should be a permanent organization. The course of events must determine at what time it will be expedient to terminate it.

3. The policies board requires no comment. It will be made up of the chiefs of divisions operating under the director.

4. The administrative division would have charge of ordinary administrative questions arising within the service, and would include files, correspondence, accounts, and other matters normally cared for by administrative divisions.

5. The clearance division has charge of the clearing-house operations connected with employment exchange work. Probably, it will become necessary to divide the country into clearance zones, but determination of this matter is left to the director, his planning board, and the results of experience.

Reports on employment flow so naturally from clearance operations that no comment is required concerning the wisdom of placing them in charge of the clearance division.

6. The supervision and personnel divisions, a combination of two matters which are distinctly separate, though kindred in character.

The supervision work has to do with the establishment of good standards of employment exchange work and with inspection by inspectors and by efficiency reports which force compliance with those standards. The penalty for noncompliance would be withdrawal of financial support.

The administration of existing Federal local offices, of such other Federal local offices as it may be necessary to establish, and of field agents which it may be necessary to use for emergency purposes, is also a part of this supervision work.

The personnel work is not primarily that of selection of personnel, which has already been cared for by your approval of a personnel service. Personnel work in connection with the employment exchange service is primarily an educational and training function.

7. The agricultural labor division and the women's division require no comment.

8. The State directors are the officials in charge of the State systems. The same person should, wherever practicable, act in the dual capacity of director of the State systems and Federal for that State.

9. Administrative zones, or districts, are not provided in the organization chart. It may well be that such districts will have to be established in the near future, but this matter also is left to the director, his planning board, and the results of experience.

10. Certain miscellaneous matters should be mentioned, although not presented in the chart.

A. The work in connection with inducing States to organize systems or improve present systems will be so heavy as to make it wise for the director to gather around him a group of persons to perform this service.

B. With respect to reserve enrollments, it is believed that it is a mistake to conduct a campaign for registrations long in advance of actual needs; that there should be no campaign for general registrations, but only special campaigns to meet definite demands; that registrations should be centralized in the local employment exchanges wherever practicable; and that the traveling examiners' force in connection with reserve enrollments should be used only where employment-exchange facilities are inadequate.

C. Personal rehabilitation, vocational guidance, and stabilizing of industry are matters requiring careful study by the employment service. It is suggested that they be referred to the planning board.

D. Priority of labor demand is a very important issue, and must be cared for either by the planning board or by a separate investigating committee under the direct supervision of the Secretary of Labor.

E. The plan contemplates the rapid development of local agencies, with the ultimate use of traveling agents merely for purposes of supervision or to meet an emergency.

III.

The plan above proposed involves appropriations much larger than this service has had at its disposal in the past. The money secured from the President's emergency fund will perhaps suffice to meet the needs of the case during the present fiscal year, but Congress must be called upon to approve the general plan and make reasonable assurance of its continuity.

Your advisory council accordingly presents the accompanying amended form of the Robinson-Keating bill, with the suggestion that it be placed before Congress.

If the interests of the Department of Labor in the urgent deficiency bill have not already been cared for, your council will be glad to revise the departmental estimates to bring them into accord with the program above presented.

Respectfully submitted.

L. C. MARSHALL,
For the Advisory Council.

A BILL To promote the more effective utilization of the labor resources of the Nation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of providing appropriate instrumentalities and procedures through which the labor resources of the Nation may be effectively adjusted to the Nation's requirements, the organization, powers, duties, and obligations herein set forth are created, conferred, and prescribed.

SEC. 2. That there is hereby extended and established in the Department of Labor a United States employment service in charge of a director, appointed by the Secretary of Labor, who shall receive a salary of \$5,000 per annum. There shall be appointed by the director, with the approval of the Secretary of Labor, in this service, such assistants, experts, special agents, clerks, and other employees as may be necessary to carry out the purposes of this act and as may from time to time be authorized by appropriation or other law.

SEC. 3. That when used in this act the term "public employment office" means any employment office which is conducted by a State, or any political subdivision of a State, and which charges no fees for its services.

SEC. 4. That, subject to the supervision hereinbefore stated, the director shall (a) have general charge of all employment activities of the Department of Labor; (b) prescribe rules and regulations for the conduct of the service, including rules and regulations concerning the provision of transportation: *Provided*, That no wage earner shall be directed, without full notice, to any establishment wherein a strike or lockout is known to exist or to impend; (c) collect and furnish to wage earners and employers adequate information in reference to employers seeking workers or workers seeking employment (including information concerning conditions of living and labor), and use any appropriate means for securing and distributing such information and for preventing misrepresentation and the dissemination of misleading statements;

(d) cooperate with all public employment offices in devising, installing, and from time to time amending and improving the best adapted, most efficient and economical systems of records and methods of business for such offices, and in interchanging information with all such offices or other authorities and organizations having to do with similar work; (e) encourage State and municipal authorities in establishing and operating public employment offices approved by the service; (f) cooperate with other governmental departments and agencies, including councils of defense and committees of public safety, and with labor unions, employers' associations, technical and professional societies, and other voluntary associations which provide a means of bringing any class of persons into touch with public or private employment and which render such service without compensation.

SEC. 5. That the director may subdivide the country into districts and zones and therein at convenient locations establish clearing houses for employment information to which public employment offices located within such zones shall make regular reports at such times and containing such employment information and relevant data as the director may designate. It shall be the function of such clearing house to connect a public employment office unable to furnish workers to its registered employers with offices registering workers of the type desired but unable to furnish them with opportunities for employment. If, in the judgment of the director, any State does not avail itself of the advantages of this act to a degree sufficient to furnish adequate service, the director may establish in any State one or more Federal employment offices.

SEC. 6. That for the general purposes of this act there is hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of \$1,000,000 for the fiscal year ending June 30, 1918; and the sum of \$2,000,000 for the fiscal year ending June 30, 1919.

SEC. 7. That for the purpose of aiding the States in establishing and maintaining public employment offices there is hereby appropriated out of any money in the Treasury not otherwise appropriated the following additional sums:

For the fiscal year ending June 30, 1918, \$500,000, and for the fiscal year ending June 30, 1919, and annually thereafter the sum of \$2,000,000.

The sums appropriated by this section for the fiscal years ending June 30, 1918, and June 30, 1919, shall be allotted to the States in the proportion which in the judgment of the director will best accomplish the effective distribution of the Nation's labor resources.

The sums appropriated for each fiscal year after the appropriation for 1919 shall be allotted to the States in proportion to the sum which each state has expended or appropriated, whichever sum may be the larger, for the maintenance of public employment offices during the current fiscal year of the Federal Government; but such allotment shall be made upon the condition that for every dollar allotted from the Federal fund the States receiving it shall expend during its succeeding fiscal year for the maintenance of public employment offices not less than \$1, and upon the further condition that the public employment offices shall be operated in accordance with the provisions of this act and of the rules and regulations prescribed by the director from time to time. In computing the allotment of any State, sums expended for the support of public employment offices by municipalities, counties, or other political subdivisions of the State shall be included if such officers are cooperating with a State public employment bureau and conform to the standards prescribed by the Federal service. Any money allotted to a State on the basis of sums expended by such subdivision shall be turned over by the State to such subdivisions in proportion to the sums which they have expended in the maintenance of public employment offices. The director shall ascertain and determine whether the States are operating their public employment offices in accordance with the provisions of this act and of the rules and regulations prescribed from time to time, and on or before the first day of January of each year shall certify to the Secretary of the Treasury the names of the States which have complied with the provisions of this act and all rules and regulations thereunder, and the amount which each such State is entitled to receive from the appropriations under this act for the current fiscal year: *Provided*, That for the fiscal year ending June 30, 1918, the director shall, within sixty days after this act takes effect, certify to the Secretary of the Treasury the names of the various States entitled to an allotment under this act and the amount thereof. Upon such certification the Secretary of the Treasury shall pay to the custodian of each State quarterly on or about the first days of February, May, August, and November of each year the money which it is entitled to receive.

and the money so received by the custodian under the provisions of this act shall be paid by him to the State public employment bureau entitled thereto.

SEC. 8. Whenever any portion of the fund annually allotted to any State has not been expended for the purpose provided for in this act, a sum equal to such portion shall be deducted by the director from the next succeeding annual allotment from such fund to such State.

SEC. 9. If any portion of the moneys received by the custodian of any State shall by any action or contingency be diminished or lost, it shall be replaced by such State, and until so replaced no subsequent appropriation shall be made to such State hereunder.

SEC. 10. That in order to secure the benefit of the appropriation provided for in this act, a State shall (1) through the legislative authority thereof, accept the provisions of this act, and designate an appropriate State authority, if one exists, or authorize the appointment of not less than three nor more than five persons, one of whom shall be a representative of employees, one a representative of employers, and at least one a person connected with the State Public Employment Bureau, if one exists, which authority or persons shall constitute a State board with all necessary power to cooperate as herein provided with the director in the administration of this act; (2) appoint the State treasurer or other State officer as custodian to receive and disburse moneys paid to the State from the Treasury in pursuance of this act; (3) organize or empower the State board (a) to organize or develop a system of public employment offices in accordance with plans submitted to the director and approved by him; (b) to make and from time to time to amend necessary regulations for securing the efficient and economical operation of such offices within the State, in cooperation with the director. The aforesaid plans shall include provisions for operation of such offices by the State separately or jointly with municipalities or other political subdivisions, and for the selection of all officers and employees for competency and merit and with tenure of office during good behavior and efficiency; and such officers shall be required to make such reports to the director at such times and stating such facts as he may require.

In any State, the legislature of which does not meet in regular session in 1918, if the governor of that State, so far as he is authorized to do so, shall accept the provisions of this act and designate an appropriate State authority, if one exists, for not less than three nor more than five persons, one of whom shall be a representative of employees, one a representative of employers, and at least a person connected with the State public employment bureau, if one exists, which authority or persons shall constitute a State board to cooperate with the United States Employment Service, the director shall recognize such State board for the purposes of this act until the legislature of such State meets in regular session and has been in session for ninety days.

On or before the 1st day of September in every year the custodian of each State shall report in detail the annual expenditures of every public employment office cooperating with the service under the provisions of this act, and the State board hereinbefore mentioned shall report in full regarding the operations of such offices, giving such facts as may previously be required by the director, all such reports being for the period ending with the 30th day of June next preceding.

SEC. 11. That (a) the duties required by law to be performed by the Division of Information of the Bureau of Immigration in the Department of Labor authorized by section 40 of the act of February 20, 1907, entitled "An act to regulate the immigration of aliens into the United States," and amendments thereto, and the officers, clerks, and other employees occupying statutory positions in the said Division of Information, and (b) existing facilities, including employees and equipment in the office of the Secretary of Labor established by the Secretary under the appropriation item, "Department of Labor, distribution of labor," contained in section 1 of the urgent deficiency act of October 6, 1917, are hereby transferred to and combined with the United States Employment Service hereby created, at such times and in such manner, arrangement, and organization as the Secretary of Labor may determine.

All appropriations or allotments of appropriations hereto or hereafter made for the division of information shall remain available for the said division until such time as it shall be transferred to and combined with the United States Employment Service as herein provided. Any unexpected and available balance of the appropriation contained in the appropriation item, "Department of Labor, distribution of labor," contained in section one of the urgent de-

iciency appropriation act of October 6, 1917, is hereby transferred to and made available for the service provided for in this act.

SEC. 12. That the Postmaster General is hereby authorized and directed to extend to the United States Employment Service the use of the post offices and postal facilities, including postal employees, wherever they can be used, and the United States Employment Service is authorized to use the post offices and postal facilities and such postal employees wherever practicable for carrying out the purposes of this act.

SEC. 13. That this act shall take effect immediately.

Senator KENYON. I move that the committee do now adjourn until 10 o'clock next Monday morning, with the idea of winding up the hearing on that day.

(The motion was duly seconded and prevailed, and at 11.55 a. m. an adjournment was taken until Monday, July 21, 1919.)

NATIONAL EMPLOYMENT SYSTEM.

MONDAY, JULY 21, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m., in room 201. Senate Office Building, Hon. J. M. C. Smith (chairman) presiding.

Present: Senator Kenyon, Representatives Smith (chairman), Casey, Hersey, Gould, Carss, Zihlman, MacCrate, and Major.

Also present: James A. Emery, representing the National Association of Manufacturers of the United States, New York; the Manufacturers' Association of Connecticut, Hartford, Conn.; the Michigan Manufacturers' Association, Detroit, Mich.; the Manufacturers' Association of Delaware, Wilmington, Del.; Indiana Manufacturers' Association, Indianapolis, Ind.; Employers' Association of Kansas, Topeka, Kans.; the Kentucky Manufacturers and Shippers' Association, Louisville, Ky.; the Associated Industries of Massachusetts, Boston, Mass.; the Mississippi Manufacturers' Association, Corinth, Miss.; the Associated Industries of Montana, Butte, Mont.; the Nebraska Manufacturers' Association, Lincoln, Nebr.; the New Hampshire Manufacturers' Association, Manchester, N. H.; the Manufacturers' Association of New Jersey, Trenton, N. J.; the Oklahoma Employers' Association, Oklahoma City, Okla.; the Industrial Association of Oregon, Portland, Oreg.; the Pennsylvania Manufacturers' Association, Philadelphia, Pa.; the Employers' Association of Rhode Island, Providence, R. I.; the Manufacturers and Employers' Association of North Dakota, Fargo, N. Dak.; the Tennessee Manufacturers' Association, Nashville, Tenn.; the Associated Industries of Utah.

Salt Lake City, Utah; the Associated Industries of Missouri, St. Louis, Mo.; West Virginia Manufacturers' Association, Fairmount, W. Va.; Wisconsin Manufacturers' Association, Milwaukee, Wis.; the California Manufacturers' Association, Oakland, Calif.; Employers' Association of Minnesota, St. Paul, Minn.; Georgia Manufacturers' Association, Atlanta, Ga.; Iowa Manufacturers' Association, Des Moines, Iowa; the Employers' Association of Washington, Seattle, Wash.; and James B. Densmore, Director General United States Employment Service.

STATEMENT OF JAMES A. EMERY, REPRESENTING THE NATIONAL ASSOCIATION OF MANUFACTURERS OF THE UNITED STATES AND VARIOUS STATE ASSOCIATIONS, NEW YORK.

The CHAIRMAN. Mr. Emery, give your name and post-office address, if you will, and your occupation, and whom you represent here.

Mr. EMERY. James A. Emery, Union Trust Building, Washington, D. C., and 30 Church Street, New York City. I am general counsel for the National Association of Manufacturers of the United States, and I represent in addition thereto the Manufacturers of Connecticut, Hartford, Conn.; the Michigan Manufacturers' Association, Detroit, Mich.; the Manufacturers' Association of Delaware, Wilmington, Del.; Indiana Manufacturers' Association, Indianapolis, Ind.; Employers' Association of Kansas, Topeka, Kans.; the Kentucky Manufacturers and Shippers' Association, Louisville, Ky.; the Associated Industries of Massachusetts, Boston, Mass.; the Mississippi Manufacturers' Association, Corinth, Miss.; the Associated Industries of Montana, Butte, Mont.; the Nebraska Manufacturers' Association, Lincoln, Nebr.; the New Hampshire Manufacturers' Association, Manchester, N. H.; the Manufacturers' Association of New Jersey, Trenton, N. J.; the Oklahoma Employers' Association, Oklahoma City, Okla.; the Industrial Association of Oregon, Portland, Oreg.; the Pennsylvania Manufacturers' Association, of Philadelphia, Pa.; the Employers' Association of Rhode Island, Providence, R. I.; the Manufacturers and Employers' Association of North Dakota, Fargo, N. Dak.; the Tennessee Manufacturers' Association, Nashville, Tenn.; the Associated Industries of Utah, Salt Lake City, Utah; the Associated Industries of Missouri, St. Louis, Mo.; West Virginia Manufacturers' Association, Fairmount, W. Va.; Wisconsin Manufacturers' Association, Milwaukee, Wis.; the California Manufacturers' Association, Oakland, Calif.; Employers' Association of Minnesota, St. Paul, Minn.; Georgia Manufacturers' Association, Atlanta, Ga.; Iowa Manufacturers' Association, Des Moines, Iowa; the Employers' Association of Washington, Seattle, Wash.

The CHAIRMAN. I would like to inquire about how long a time you think you will need in order to put in your statement?

Mr. EMERY. Well, Mr. Chairman, I am entirely at the disposition of the committee. I would think that my own argument ought not to take more than half an hour, but, of course, I anticipate there will be questions asked of me.

The CHAIRMAN. Would you prefer, Mr. Emery, that questions be asked of you as you go along, or would you rather that we would wait until you get through with your statement?

Mr. EMERY. That is for the committee to decide; but, of course, I am anxious to make my position clear.

The CHAIRMAN. Let me ask you, first, are you in favor of or against a free Federal employment agency?

Mr. EMERY. That can not be answered without qualification, but I wish you to understand, Mr. Chairman, that in what I am saying here I am not expressing so much my personal views, if you please, as I am interpreting the views of others and stating their position in regard to the pending measure. Their position is, in fact, favorable to the establishment of a Federal service within appropriate and efficient limits of operation. They differ, however, with the proposed measure in a number of substantial respects, which I shall endeavor to indicate to the committee as I go along.

If you will permit me, Mr. Chairman, I would like to say that differences of opinion are unavoidable and are regrettable over matters of national legislation as serious in their consequences and as far-reaching in their effects as the measure now under consideration. The great groups of organized manufacturers which I have the honor to represent to-day before your committee are very keenly interested in the proposals involved in this measure and in the substance of the great plan that lies behind it. They have had, during the period of the war, a very considerable experience with the Employment Service as it has been organized and as it has been administered; they have had considerable experience in their own States with State and municipal agencies and with the various employment agencies operated privately for gain, and have had experiences with those agencies which are a part of every modern successful industrial establishment. I know that I am not overstepping the bounds in saying to gentlemen of your experience that the organization of an employment service in any great establishment is one of the most important features of the establishment itself. For the difference between management in successful production is largely a difference in the understanding, in the direction, and the efficient supervision of men in the arts of production and distribution.

There never has been a time when not merely the manufacturers but the people of the United States were so keenly interested in such a proposal as is here presented, for the whole world is crying out for production. Production is the great vital need of this moment. And this is particularly true of this Nation in its relation to the rest of the world. The extraordinary losses in both men and equipment during the great struggle through which we have passed must be met economically. The burden that rests upon mankind to-day can be carried forward only by an enormous multiplication of its present power to produce and distribute.

The establishment of right methods of bringing the men and job closer together, the bettering of conditions and relations, the creation of clearer understanding, greater sympathy between management and men—above all of a more intelligent appreciation by employer and employee of their joint responsibility to meet this gigantic obligation of increasing production—can not be overemphasized. During the war production was primarily for the national defense, and the control of employment in relation to production therefore became an important national duty. The needs of the armed forces were paramount; the distribution of labor and control of management under

the great powers possessed by the Government became one of the most essential parts of the task of providing for the national defense.

But, Mr. Chairman, the war is over, and the tasks of readjustment now confront us. The excitements stimulated by the war, its reactionary effect upon the minds of men and upon the relationship between men has left its marks on the psychology of the race. We are, so to speak, suffering from political and social shell shock to large extent, and there are murmurings and rumblings throughout the world.

Now, Mr. Chairman and gentlemen, this country is under a special call to produce greatly. We must not only produce enough to meet our own needs, but we must for a time produce enough to meet the larger needs of all mankind. We are at present the possessor of the largest supply of raw material. We are the greatest possessors of mechanical equipment; we are the greatest possessors of the means of transportation and of efficient producing labor and management in the world to-day. The world's industry, can not be set in motion or more successfully without the economic aid of the United States.

So Mr. Chairman, in the consideration of any plan like this, the first consideration is its effect upon employer and employee and its effect upon the whole scheme of necessary production. During the war we produced for the national defense, and the control and the direction of labor and management was a national responsibility, and called into being the very highest of national powers. Now, these powers are slowly flowing back into the sources from which they came, and any proposal to continue or perpetuate a national control of local affairs should be very seriously considered. Mr. Chairman, I think that the briefest analysis of the proposal pending before your committee shows not merely a promotion, stimulation, and creation of national agencies for employment, but the domination, control, and direction of local employment agencies by the National Government. That control is very clearly and deliberately drafted into this measure. This bill, if I understand it, proposes the permanent establishment of the United States Employment Service as a bureau of the Department of Labor, under the direction of the Secretary of Labor. It creates the statutory office of Director General of Employment and of a female Assistant Director General of Federal Employment. The one is appointed by the President and the other by the Secretary of Labor, and the whole service, in its organization and administration, is under the direction of the Secretary of Labor. The purpose of this service is to establish and maintain a national system of employment offices for men, women, and juniors, and, second, to aid in establishing and maintaining systems of employment offices in the several States and political subdivisions thereof, which would include municipal offices, and third, to coordinate the public employment offices throughout the country by furnishing and publishing information as to labor conditions, by maintaining a system for clearing labor between the several States through the methods described in the bill.

In addition, Mr. Chairman, it is proposed to establish and maintain uniform standards, policies, and procedure, and finally to assist in the transportation of workers from place to place as necessity may arise or as may be determined to be necessary for the purpose of assuring employment.

To carry out the provisions of this measure an appropriation is proposed for three years at the rate of \$4,000,000 per year, not less

than 75 per cent of which, and under the provisions of the bill substantially all can be allotted—but not less than 75 per cent of the money appropriated shall be allotted by the Secretary of Labor among the several States on the basis of their respective population and their contribution to the establishment of local services.

It would seem to me, Mr. Chairman, that the most important question in relation to this bill, for the establishment and control of the employment services in the various States, arise under the fourth and fifth provisions of the measure. There are limitations provided in the bill as to the amount which may be expended or allotted by the Secretary of Labor, as to the minimum which States seeking Federal aid may appropriate for the support of their local agencies. Now, Mr. Chairman, you find three kinds of State employment services in existence. You have States—some 10 or 11 in number—which have well-established employment services varying in efficiency and differing in effort, according to the viewpoint of the various States. You have, secondly, as noted in the bill, States in which there is an organized employment service, but which are without authority to accept Federal funds and which consequently require some act of their executive or legislature to permit the acceptance of Federal aid under the controls to be established by this measure. and finally you have the great majority of the States in which there is no public employment service in existence.

Mr. CASEY. Right there, Mr. Emery, will you please tell us how many of the States had well-regulated employment services before the war?

Mr. EMERY. Well, that calls for an expression of opinion as to what you would designate as "well-regulated employment services." But I think there were about 10 of the States that had employment services. Some of the States have had such services and have abandoned them.

Mr. HERSEY. That is, free employment agencies?

Mr. EMERY. Yes; I am referred to free employment agencies. I am not concerning myself with the fee-charging agency, nor am I concerning myself with what you gentlemen recognize as those forms of employment agency conducted by associations or employers in connection with their own plants and established for the purpose of securing and distributing labor to operate their own establishments.

You have then, three conditions existing in the States of the Union: First, those States which have a service or those in which a service is about to be or may be established; second, a service which needs some kind of legislation; and finally, you have those States in which there is no service at all.

Now, the States which have no service at all may express one of two conditions: Either the State does not believe that a service is necessary or the State is limited in its funds. You have States, furthermore, as recognized in this bill, which have limitations upon their power to accept funds, which could not even accept funds given by philanthropy, and which must first have some enabling act authorizing them to receive funds—States whose laws do not permit them to accept money, especially with a string tied to it.

Now, this is an important feature of the discussion because the Federal aid provided for in this bill is conditioned upon the acceptance by the State of the standards and the regulations which are to

be established by the Federal Director General of Employment, and are to be accepted by the State as an evidence of its willingness to aid and to cooperate with the Federal Employment Service. Without the acceptance of that condition the State can not receive the Federal aid, under the terms of this measure, nor may the Secretary of Labor allow to any State the sum allotted to it unless the Director General of Employment certifies that the State accepts the regulations and the standards prescribed by the Federal Employment Service.

But, Mr. Chairman, though this establishes a powerful control the plan does not stop here. If it stopped here, the determination of whether or not any State should accept aid from the Federal Government in return for control of local agencies of this character, would be left entirely to the judgment of the State. The States would accept or reject it, and the State would then retain possession either of the kind of service it has without competition or interference from the Federal authority, or, believing the agencies in operation sufficiently met the needs of the situation, would continue without any service. If a State declines to act upon a matter of public policy presented to it—that is, an expression of the judgment of that State quite as much as affirmatory action—does that end the matter if the State does not act or refuses to act? No; for it is provided that as to States in which there is no employment agency—and I am referring now to page 6 of the bill, subdivision (a)—

In States in which there is no such system of public employment offices the Secretary of Labor is authorized to establish and maintain a system of public employment offices under the control of the Director General of Employment.

There is no limitation as to the length of time during which the Federal employment agency should remain; there is no limitation upon the amount of the fund which may be expended in establishing and maintaining such system of public employment offices; there is no provision by which in the event a State establishes its own agency independently Federal competition shall be withdrawn. It can not be evicted. It must be accepted for better or worse. No cooperation with State agencies is provided except upon the conditions in the bill by which the State accepts the regulations and the standards which are to be established by the Federal director of employment. If the State accepts aid at all from the Federal Government, it must accept those standards and those regulations, and if they are not in harmony with the State standards, they must displace those standards.

So, you see, Mr. Chairman and gentlemen of the committee, that this is a very serious matter. It is a matter that goes to the very root of self-control in the control and direction of domestic agencies, as they are viewed through the spectacles of local self-government.

In States where there is a State system of public employment, but in which the State is not able to accept the Federal aid, the Secretary of Labor can negotiate a treaty of control with the governor of the State, and in conjunction with the governor, can provide for some kind of a *modus vivendi*, but in the interim, and for a period not to exceed six months, the Secretary of Labor may maintain in such State a system of public employment offices under the control of the Director General of Employment.

Mr. HERSEY. He may use a State employment agency——

Mr. EMERY (interrupting). And upon these employment agencies so established may be expended, not the sums which under the first sections of the bill would be allotted to that particular State, but the Secretary of Labor is authorized in his discretion to so expend all unapportioned sums. The amount that may be thus expended is not limited to any State allotment, as might be indicated by a general view of the bill, because twice in the measure it is provided that the Secretary of Labor may expend all unallotted funds as he deems "necessary"——

Senator KENYON (interrupting). Do you think, Mr. Emery, that under this bill the Government could maintain agencies and the States could also maintain agencies?

Mr. EMERY. I think that it is very clear that such is the case, Mr. Senator.

Senator KENYON. That, of course, was not intended.

Mr. EMERY. It is very clear. For instance, in subdivision (a), on page 6, reference is made to a condition in which there is no State system of employment offices. It is there provided that the Secretary of Labor may establish and maintain a system of public offices under the control of the director general of employment. There is no provision in the measure and no limitation whereby such Federal control stops when a State agency is established should there be a difference of opinion or of policy between the State agency and the Federal agency. The latter is undoubtedly authorized to continue and maintain those agencies in competition with the State agency, and the only way in which the State agency can rid itself of that competition is to accept control. It can accept it by accepting the regulation and the standards of the Federal agency, and by accepting those standards it secures the aid of Federal funds, but it has no other means whatever of requesting or securing the withdrawal of the Federal agency. Now, the guidance of a State employment agency is a function of the State.

Senator KENYON. And do you not think, Mr. Emery, that the provisions in subdivision (b) give no limitations at all to that?

Mr. EMERY. No; for the only provision in subdivision (a) relates to States where there is no State system of public employment offices, and authorizes the establishing and maintaining of a system of public employment offices under the control of the director general of the United States Employment Service under such circumstances. Subdivision (b) is an entirely different story. That relates to a different condition, where there is a State system of public employment offices, but where the State treasurer is not "entitled or authorized" to receive and use for the purpose of such systems any portion of the moneys appropriated by the provisions of this act. There is a peculiar phraseology here which I confess I do not understand. It is "is not entitled or authorized to receive." I can understand "authorized to receive," but I do not understand what "entitled to receive" means.

Senator KENYON. That may not be the proper word.

Mr. EMERY. "Not authorized" would be very clear; "entitled" I do not catch the significance of. Now, there is no provision to cover the situation which arises when the State shall subsequently estab-

lish its employment service, except the first paragraph of section 4, on page 3.

Senator KENYON. In section (b), or subdivision (b), the words are used "establishing and maintaining a cooperative Federal and State system of public employment offices"——

Mr. EMERY (interrupting). Yes; in subdivision (b) the words are used "in establishing and maintaining a cooperative Federal and State system," but that refers only to the State where a State system is in existence at the present time, but there is nothing covering the circumstance where the systems are organized subsequently. They must accept the rules, regulations, and the standards promulgated by the director general of employment, because the plain purpose of the bill is to secure this harmony of action through the imposition of these standards. Throughout the bill it is strongly emphasized that the aid to be given each State and cooperation with it is to be predicated upon the acceptance by the State of the Federal standards and regulations. In this manner only uniformity is to be secured.

Senator KENYON. And with the cooperative systems it would be one system of cooperation.

Mr. EMERY. Yes; but the form of cooperation that underlies this bill is a cooperation in which the State submits to Federal regulation and to Federal standards as the price of securing aid. All cooperation is defined in terms of that condition. I think that is wrong.

Senator KENYON. I think that is true; but if the Government is going to give out the money it seems to me that the Government must have something to say about the standard——

Mr. EMERY (interrupting). Yes, sir; but that something is the dominant voice of the Federal Government alone. It is nowhere indicated or suggested in the bill that those standards shall be reached by conferences between the director general and the State authorities, but it is declared and reiterated that they shall be fixed by the Director General of the United States Employment Service. That becomes exceedingly important, Mr. Chairman and gentlemen, because we have no means of gauging the future except by the past, and we do not know what the standards and regulations of the United States Employment Service may be, except from what they have been under the present administration. If we are to determine for ourselves, as practical men, what the standards and regulations which the State will be asked to accept are likely to be, we must turn back to what the director general has heretofore set up as standards of efficiency under his direction. We must examine his expression of his own views; we must examine his own understanding and conception of his power. We must look into what he has done as Director General of the United States Employment Service in the past in order to determine what he would do as Director General of the United States Employment Service in the future.

Senator KENYON. But you would not defend the proposition that the Federal Government should turn money over to State and the Federal Government should have nothing to say as to how it should be used?

Mr. EMERY. Not at all, Mr. Senator, but that is a different proposition from offering Federal money as the price of surrender by the

States of local control through the acceptance of the standards and regulations laid down by the Federal Government.

Senator KENYON. Then it would seem that most of the State rights have been traded off for the appropriations.

Mr. EMERY. They have. And in that connection I note with great interest not only what Mr. Root had to say about that in his lectures at Princeton University recently, but there is a very interesting statement—unique because of the fact that justices of the Supreme Court of the United States do not often express themselves on public affairs—by Mr. Justice McReynolds, in the Washington Star of yesterday, under the general subject, "How to Make America Better." He said among other things:

It will be made better if the individual American will make himself a better citizen and a better American. Finding fault and nursing the spirit of discontent will not help. He must fit himself for more intelligent participation in the affairs of government, and do his part.

By government I do not mean alone the Government at Washington. I mean the governments of towns and cities and counties and States. There is too much running to Washington in a spirit of "Oh, Lord, give me this," and "Oh, Lord, give me that." Americanism means that towns and cities and counties and States should intelligently work out their own problems. The Government at Washington will be at its best when every community is doing its best with its own affairs. That is what liberty and self-government require under any system.

Senator KENYON. Now, these things are to stimulate the States and community, and the question is how far the Government should go into them. We have followed that policy in the vocational training and in the various agricultural appropriations, but how far the Government should go into that, of course, is a debatable and a very serious question. The stimulation of the States by the Federal Government has certainly worked splendidly, because the States have gone farther beyond and in some instances they have given many times the Federal appropriation instead of matching dollar for dollar. I agree with you that this is a very important thing to be considered.

Mr. EMERY. It is an important thing, Mr. Senator, and this measure before you is something far larger than the mere regulation of employment agencies. It is intimately related to the development of the national spirit. Its discussion depends, of course, upon one's conception of what that spirit should be. In regard to educational projects, they have been recognized from the beginning.

Senator KENYON. We have a bill before us now on the same theory, that education of a man in Alabama is a question that affects the people of the State of Pennsylvania. Now, this question is a question of putting a man in contact with a job.

Mr. EMERY. The Secretary of Labor said before this committee, and at the conference of the governors, and very well said, that he did not think any government owed a man a job, but it owed every man an opportunity to get work. That concept has been the very great distinction in this country since its foundation between its view and that of other nations. It undertook to provide opportunity, but left the individual to match his capacity with the opportunity, and preserve as the great asset his independence, self-initiative, and self-reliance, for men who habitually run to the Government like a child to its mother eventually become the victims of the very dependence which their habitual conduct creates.

Now, this plan, as I see it, both from the discussions which took place at the conference at which these measures were originally drafted, until eventually they took the form of this bill, was always publicly declared to have as its primary object the creation of a clearing house of information, and I understand that this bill is not presented as the bill of any Member of the House or any Member of the Senate, but as the offspring of the Department of Labor. Now, I respectfully submit in its present form it is a very different proposition from that. It is an entirely different thing to say that the agencies of the Federal Government shall be used to give information and to stimulate, aid, encourage, promote, and extend, if you like, the agencies of local self-government; it is quite another thing to present the Federal Government as a tempter to the State offering in exchange for its sovereignty, its own judgment of policy which may fit local needs, a Federal appropriation in exchange for the abandonment of their own proper standards, regulations, and public functions and all the relationship which the States shall have to its citizens when seeking employment.

Now, Mr. Chairman, the great source of employment is the pursuit by an individual of his own desire to make the most of that within him and to obey that natural instinct which prompts him to pursue his aptitude for that form of service or effort for which he is best fitted. He is primarily to judge of the medium to ascertain that, the means in his own control, the opportunities presented to men in his own community and State. I think that one of the reasons why there is so much objection and criticism to this measure is its underlying suggestion that the Government is to step in and push the citizen here, or to transfer him there, in answer to its notion of opportunities for his employment.

During the war, Mr. Chairman, we had a serious indication of what it means to take citizens from one part of the country to another, resulting in the disruption of social and family relations, by hurrying them from place to place where the employing industry called for the presence of our fighting workers.

The adjustments that we are facing now arise to a considerable extent from this shifting of labor throughout the United States. I may be old-fashioned about this matter personally, but I do not venture my opinion as my individual judgment, because I think my individual judgment is of no great value, but I know it to be the judgment of a great many public men and of a great many thoughtful men engaged in all forms of business that there is nothing we need so much in order to stay the discontent among the restless as the attachment of men to localities. Those people and those governments that are rooted into community and home life best meet and are least disturbed by the passing whims of social excitement. It is the nomadic people who live as it were in tents, who move from place to place like the Arabs of old, who are least able to meet sudden social disturbance.

Mr. HERSEY. You are at a point now where I would like a little light. The great argument for a Federal employment agency has been that the State agencies and the municipal and local agencies, whether they be free or fee agencies, are not a clearing house; that is, they have a very local and a very circumscribed function; that when certain persons apply to them for employment all they can do

is to place those persons either in the industries in the municipalities or in the States; they say that the Federal agency should have centralized power in Washington and central agencies in every State of the Union; that each central agency in each State should be attached with every other branch of the Federal agency throughout the United States; that when a man applies for employment he, of course, knows what he is fitted for and what he is wanted for; that in those Federal agencies there should be a list of men or places where men are wanted throughout the United States for that special purpose to place, a place for which this man is demanding employment, so that they can place the man by sending him to a certain place and in this way form a clearing house; therefore, that the State agency, whether it be free or a local fee-charging agency, can not do that, and I would like to have you clear that up as to whether that is a fair argument and as to whether the Federal employment agency can accomplish that purpose.

Mr. EMERY. I noticed in the arguments made before your committee a very interesting presentation of that subject by a lady from Boston, Miss Grace E. Cooke, I think her name is, which goes into those difficulties; but in my response to your inquiry I think there is a great deal to be said for the collection of, and analysis and compilation and distribution of information with respects to opportunities in the States through a Federal agency. I think that is a function which the Federal Government is best fitted to perform. In the collection and distribution of that information it is performing the function it should perform, but I do not think there should be an administrative and executive agency within each of the States controlled by the Federal Government in interference with the local control by the States of this public function.

Is there any reason why that situation can not be met by the offer of the aid, the advice, the suggestions, and the experience acquired by the Federal Government during the war, or the experience that comes to it from every one of these local agencies, each one of which has its organization, has its own experience and offers it, through the Federal Government, to the States seeking to organize agencies. So far as organization is concerned, that is the manner in which they could easily proceed to make a variety of information and experience available. No appropriate machinery is provided by this bill for these purposes, but no extensive appropriation would be necessary in order to make the Bureau of Statistics of the Department of Labor, or any other bureau created for that purpose, a compiler, an analyzer, and a distributor of the information that could be obtained from all the States. The idea that you can not possibly aid a citizen in a certain locality unless you surrender local control to the Federal Government seems to me an obviously gratuitous assumption.

Now, as to the movement of the men from place to place. There is such a thing as seasonal labor, during the harvest season, we will say, when large bodies of men are wanted in this State or in that State, and that information is very easily obtainable and has been in the past. The information is accessible, and the most that can be done by a Federal agency is to present to the individual opportunity for employment. It is not proposed to take any man and move him by the scruff of the neck from one place to another. Although it is

proposed, I notice, to provide men with transportation and apparently move them from place to place—a condition that does not conduce for stability of life or employment.

There is also another aspect of the matter. There is no more valuable asset in each State than its available supply of labor. That supply should not be constantly tempted away from the State to other districts on slight pretext. Such a policy would be decidedly objectionable to many States as is indicated by the present character of local law.

Mr. HERSEY. Do you claim that there is in this bill provision for the Federal Government to pay for transportation from place to place of men from the Federal fund?

Mr. EMERY. Yes, sir.

Mr. HERSEY. Where is that provision?

Mr. EMERY. Section 2 contains the provision that it shall be the province and duty of the Secretary to assist in the transportation of workers to such places as may be deemed necessary for the purpose of securing employment.

Senator KENYON. And do you construe that to be financial assistance?

Mr. EMERY. Surely. How else would you assist in the transportation of the worker? Could that merely mean that he should be given the time at which a train starts?

Mr. HERSEY. If that is the purpose of the bill, I did not know it.

Mr. EMERY. It says over here again, Mr. Chairman, in section 7 that all appropriations and unexpended balances of appropriations made to enable the Secretary of Labor to conduct a war emergency employment service, "and to advance to wage earners transportation to such places as may be deemed necessary for the purpose of securing employment in connection with the prosecution of the war are hereby extended," etc.

Mr. HERSEY. "Are hereby extended and made available for the Secretary of Labor for the purpose of carrying out the provisions of this act." That is for war purposes only.

Mr. EMERY. That refers to the unexpended balances of appropriations to enable the Secretary of Labor to conduct a war-emergency employment service, and why should they be turned over to him for this purpose if it was not an indication, and a very clear one, that these and other funds were available for this purpose—this language would operate merely as a limitation upon the amount that could be used.

Mr. HERSEY. The last part of section 6 reads, "and to incur such travel and other expense as he may deem necessary to carry out the provisions of this act." I would like to have a little more light on that. Senator Kenyon, did you intend that the Federal funds should be used for the transportation of men from place to place?

Senator KENYON. I did not intend it myself, but I am not at all certain that it does. But that is the unexpended balance of the funds that have been given to the Secretary of Labor to carry on the service during the war—

Mr. HERSEY. That is a war measure, then.

Senator KENYON (continuing). That are made available. They are not made available to do the same thing which they were intended for under the war measure.

Mr. EMERY. It would seem that they are made available for the purpose of carrying out the provisions of this act, and one of the chief provisions of this act is to "assist in the transportation" of the workers. How do you assist in the transportation of the workers if you do not contribute financially?

Senator KENYON. I am glad you raised that point. However, I do not think we have much to worry about in regard to the unexpended balances.

Mr. EMERY. I do not either, Senator, and I am not stressing that matter at all.

Mr. HERSEY. It is very important to know whether the funds are to be used in that way.

Senator KENYON. Of course, we can take that up when we come to consider the bill itself.

Mr. EMERY. What I want to point out to you, Mr. Chairman and gentlemen of the committee, is the fact that local labor is exceedingly valuable to the State, so valuable that many of the States—six of them at least—have practically licensed out of existence any employment-agency movement the purpose of which is to secure labor for transportation to other States. The State of South Carolina requires and labor-recruiting agency to pay in each county a license fee of \$2,000, I believe.

Senator KENYON. But the purpose of that was to keep the colored people from going North, wasn't it?

Mr. EMERY. But the value of labor is not changed by its color? I think that the States consider their labor a most valuable asset.

Senator KENYON. But if labor can do better somewhere else, no State should keep it from going to where it can do better, should it?

Mr. EMERY. No, sir; but the States will endeavor to protect themselves against any organized effort to move labor out of their borders.

Senator KENYON. Do you know of any other States which has passed similar laws?

Mr. EMERY. There are six States—I should say seven States—that I know of, and I know of very violent excitements during the existence of the war-time mobilization of industries, a violent prejudice expressed in many States against the Government unduly taking men from their limits.

Now, you say, Congressmen, "What do you propose as a substitute?" It was not my purpose to indulge in merely destructive criticism. On the contrary, it is very greatly to be regretted that the great employing organizations were never invited to participate in the conferences looking to the establishment of an employment service—

Mr. HERSEY (interrupting). Do you mean to say that this conference in Washington last spring, in which the governors were consulted, the manufacturers and employers of labor were not consulted?

Mr. EMERY. I mean that the organized employers, the great bulk of organized employers, representing very large groups and who could speak for large groups, were not invited to participate in that conference. The American Federation of Labor was invited to participate in it, and very properly so, but the large groups of employers were not invited.

Mr. CASEY. I would like to ask you, Mr. Emery, does Mr. A. A. Landon, the president of the Buffalo Chamber of Commerce, and president of the American Radiator Co., represent the employers in any capacity, and Mr. Waddell Catchings, president of the Sloss-Sheffield Steel Co., and representative of the United States Chamber of Commerce on all war activities, represent the employers?

Mr. EMERY. Is it intimated that Mr. Landon and Mr. Waddell Catchings were at the conference held here in Washington in April?

Mr. CASEY. I do not know about April but I know that they were at a conference which drew up a bill which was essentially the same bill which we have before us, and they were members of the Secretary of Labor's advisory council when such a bill was drawn up, and I wanted to bring this to your attention in connection with the question of the employers of labor not being represented.

Mr. EMERY. It must have been a star-chamber proceeding, and I think that Mr. Landon and Mr. Catchings were present—

Mr. CASEY (interrupting). Let me answer that allusion as to it being a star-chamber proceeding. It was nothing of the kind. It was published in the newspapers, and the newspapers ran extended notices of it. I happened to be on the advisory council and—

Mr. EMERY. Well, during the war we had committees here in Washington at the request of the various departments to cooperate with them, and with Mr. Frankfurter, then the deputy labor administrator. Various committees worked with him in an endeavor to standardize the industrial labor—

Mr. CASEY. And the creation of the War Policies Board was of that character—

Mr. EMERY (interrupting). Yes, sir; but when these conferences were held for the specific purpose of considering whether or not the emergency employment service created during the war was to be continued as a Federal board, and if so, under what conditions, the organized employers, the representatives of the organizations of employers who had dealt with this question during the war, who had been especially requested to come here and deal with that question, were not asked to participate and did not participate in it. The employment service could have very readily secured the opinions and the criticisms of the employer in this matter, and I say this because of the fact that no employment system can possibly succeed in which the employer and the employee have not mutual confidence, and every factor ought to be brought in to consult about it, especially upon a matter as vital to industry and of such exceeding importance at this time.

Mr. CASEY. May I ask whom you refer to when you refer to the organized employers?

Mr. EMERY. I refer to the great body of employers throughout the United States.

Mr. CASEY. They were consulted in the creation of the National War Labor Board?

Mr. EMERY. They were.

Mr. CASEY. But were not consulted in regard to this very bill?

Mr. EMERY. No. We have a number of delegates who represented the employers that were appointed—

Mr. MACCRATE. And they were not consulted at all about these bills, do you say?

Mr. EMERY. No, sir.

Senator KENYON. I think that that is very unfortunate.

Mr. CASEY. I do not know anything about these particular bills. I am speaking now of about a year ago last January, when the conference was held here—

Mr. EMERY (interrupting). And there is nothing so important in the present situation as that the representatives of the employers and the employees shall criticize and discuss matters of public policy to be imposed upon them.

Senator KENYON. But can you not criticize it now and give us all the suggestions that you can?

Mr. EMERY. Yes, sir; the National Association of Manufacturers at its convention in May last expressed itself very clearly in a resolution adopted by it which I would like to have incorporated in the record.

The CHAIRMAN. You wish to have it printed in the record?

Mr. EMERY. I wish to have it printed in the record.

The CHAIRMAN. Without objection, it may be printed.

(The resolutions referred to are here printed in the record in full, as follows:)

Whereas the House of Representatives of the Sixty-fifth Congress declined to make further appropriation for the continuation of the United States Employment Service, thus expressing the opinion that the emergency which brought it into existence had passed; and

Whereas a determined effort is about to be made to secure a larger appropriation for the continuance of this service as presently administered: Therefore be it

Resolved, That the National Association of Manufacturers in convention assembled declares that:

1. Obtaining and distributing information with respect to public employment, and the placing of unemployed persons so far as it is a public function belongs to the individual States, and can be more efficiently performed by them in the light of local conditions, and that such service is a Federal function only—

(a) In the emergency of war, when the Federal Government assumes a dominant direction in securing production for the national defense;

(b) In supplying the needs of the Federal Government as an employer of labor on work of a public nature; and

(c) In the emergency replacement of demobilized soldiers and sailors, a function belonging to the military departments, and at present being efficiently discharged by them.

2. The Bureau of Statistics of the Department of Labor may well collect from the various State and municipal agencies employment information, to be compiled and distributed by it as it compiles and distributes other similar information for the various local forms of labor administration.

3. We urge upon Congress the expediency of providing an ample emergency appropriation to be expended under the direction of the War Department in cooperation with local business, and industrial, and war service associations, for replacing or securing employment for demobilized soldiers and sailors. The organization now operating under the direction of Col. Wood enjoys the confidence of business men and their organizations, is efficiently and impartially administered, and deserves, and will secure their continued cooperation.

4. The present director of the United States Employment Service possessed no experience or expert qualifications to justify his selection for his highly responsible task. The administration of the service has been incompetent, extravagant, and often invidiously discriminating. The director general arbitrarily misused official authority by an alleged investigation of city officials in San Francisco; made the most serious and socially irritating charges in the public press, and official reports against public officials and business men of that city; left the jurisdiction of its courts; and in the face of the requests of the foreman of the grand jury, the presiding judge of the superior court, and the governor of the State, has declined to verify his statements before the only legal body authorized to hear them; and has been sustained in his refusal to submit to the processes of the State which he has defamed by his cabinet chief.

Such conduct, and the incompetent management of the service has destroyed the confidence of employers in it, and made continued cooperation with it under the present management impossible.

Mr. EMERY. I should also like to have copied in the record a resolution on this subject adopted by the National Industrial Conference Board, in New York City, on May 22, 1919.

The CHAIRMAN. Without objection, it may appear in the record.

(The resolution referred to is here printed in the record in full, as follows:)

Whereas it is proposed to make the present United States Employment Service a permanent bureau of the United States Department of Labor; and Whereas this service was established as a war emergency, and is not a normal function of Federal authority; and

Whereas the National Industrial Conference Board after investigation is of the opinion that the administration of the United States Employment Service has been and is incompetent, extravagant, and inefficient: Therefore be it

Resolved, That the National Industrial Conference Board is opposed to the further continuance of the United States Employment Service as a permanent branch of the Federal Government, because its continuance is neither desirable nor necessary; and be it further

Resolved, That the work of placing returned soldiers in industry can be most effectively handled through the special Employment Division of the War Department, now so efficiently managed by Col. Arthur M. Woods, and that an ample appropriation for the carrying on of this work by this division be promptly authorized.

The CHAIRMAN. And do you think that there should be some Federal employment bureau or agency?

Mr. EMERY. I believe that there should be, and when I say "I," I am speaking in a representative capacity, and the employers believe very generally that the greatest service the Federal Government could give would be first a central clearing house of information, in which the information will be collected from States, carefully analyzed, and distributed back to the States and other Federal agencies. In other words, the United States Government should start in in an experimental way on this question. Do not try, in the first instance at least, to create a system for all men in all places, and to extend a dominant control and direction over all of the States and the existing State agencies. I know throughout this country the employers generally are anxious to aid in the creation of efficient State agencies.

Senator KENYON. And that is as far as they are willing to go?

Mr. EMERY. They express themselves as believing in the creation of a central agency for the distribution of information here.

Senator KENYON. And that is as far as they are willing to go?

Mr. EMERY. No; there is another very serious question, and that is as to whether the best form of agency that is to represent the Federal Government in this matter is to be placed in any one of the departments, or should it be represented in a board or a commission? There is very serious doubt on their part as to whether it should be functioned from the Department of Labor. I do not think that there ought to be created any kind of a Federal bureau that is to undertake and direct and supervise the conditions under which employment is to be sought or to be obtained, which does not have represented upon it the employers as well as the employees in an advisory capacity at least. I do not know of anything that is going to remove the misunderstandings and the misinterpretations of this

trying time and bring employer and employee to mutual understanding so much as not to impose regulatory conditions where necessary upon one or the other without representation. The fact that they disagree makes it all the stronger a reason that they should be brought together. During our relationships with the War Labor Policies Board, the conditions we were obliged to meet during the war, caused the greatest resentment among employers, because on the various adjustment agencies, the boards of control and direction, the organized employer was not represented as he ought to have been. The employer was never represented by men of his own choice or direction; on the contrary, on such boards as the Shipbuilding Labor Adjustment Board men were picked to represent the employers who did not know anything about practical production or did not enjoy the confidence of employers. The men of large experience and equipment were not drawn upon. I think that if men of the largest experience and practical knowledge of manufacture had been represented on such boards, together with a representative of labor and some third person speaking for the Government, our production and employment problems would have been greatly simplified.

Mr. GOULD. Mr. Chairman, in connection with this very important point that has been named by Mr. Emery, I want to call the attention of the committee to its hearings, and in the copy of the present hearings, on page 75, there is a list of the committee which was appointed to prepare the draft of this bill, and a conference held in Washington on April 23, and in reading a list of the men, I can not find any representative of employers on that.

Mr. EMERY. In that list showing the committee that drafted this bill, I call attention to the fact there are 14 members of the committee, 8 of whom are Federal directors of the Employment Service.

Mr. GOULD. And that sustains the criticism made by Mr. Emery.

Mr. EMERY. No man there represented the employers. Furthermore, Mr. Chairman, I want to say this in relation to these matters, because I think it is a very serious matter in any question which affects the industrial relations; nothing could be more unwise or unfair than to turn around and say, "Mr. Smith is an important manufacturer, he is a well-known manufacturer, and we will direct him to represent the employers." Mr. Smith is consequently elected as an executive officer. If he is to represent the employers or the merchants or any other element, he ought to be selected from those whom he represents by themselves. I know that nothing would be more offensive to organized labor than to turn around and say, "John Smith is a workman, and he will be appointed to speak for labor." The organized laborers would say, "He does not represent us"—

Mr. CASEY (interrupting). As I understand your contention, it is that the same policy should be followed that was followed in the establishment of the National War Labor Board?

Mr. EMERY. Yes. I say, if you are going to deal with questions which relate to employment relations, you have got to consult with those men who can speak with some authority and can act in some representative capacity.

Mr. CASEY. I thought that we were doing that when we had Mr. Landon on the advisory council—

Mr. EMERY (interrupting). When Mr. Landon sat on that committee, Mr. Landon was recognized as the spokesman for the employers, But I do not remember the matter that you speak of ever coming up with reference to the United States Employment Service. In fact, we were in war and we all recognized that the control of the Federal Government over employment had to be dominant. We were trying to work out here the problems before us when \$5,500,000 were appropriated for the Employment Service attached with the condition, that the War Labor Policies Board should establish standards and that all wages were to be in accordance with those standards. Our committees of the Metal Trades and our Building Trades came here and dealt through the War Labor Policies Board, and endeavored to coordinate those agencies at a time when department after department was working out its own production problem and each competing with the other. While representatives or employer and employed reached an agreement the Government did not act.

Mr. CASEY. There is one thing that I have not got quite clear in my mind, and that is, so many believe that the chambers of commerce represent the organized employers; that is not true, it is, generally speaking?

Mr. EMERY. I should say this, that the Elks, or the Ancient Order of Hibernians—the Ancient Order of Hibernians has a large number of workmen.

Mr. CASEY. Do they speak for the workmen?

Mr. EMERY. The men do not join the organization for that purpose. The employers' associations speak for the employers, because men join that organization as employers in order to deal with the problems of the employers, but the employers do not join the chamber of commerce for that purpose. The members of these great organizations have joined them for the purpose of giving their time and attention to the study of these problems, and having organized for that purpose, they must speak for the employers.

Mr. MACCRATE. But, as I understand it, the manufacturers and the chambers of commerce are merging in different parts of the country; is that so?

Mr. EMERY. No, sir; on the contrary there are more employers' organizations and manufacturers' organizations in the United States to-day than ever before. The manufacturers, for instance, have not less than 31 State organizations. They organized in the various States because their problems are problems which are peculiar to the manufacturer. The problems of production are peculiar to the manufacturers, and they are not shared by the merchant or the transportation agent. They are peculiar to the processes of the production, and for that reason these organizations are established to meet these problems and to deal with them from the experience of these men, realizing, of course, that the dominating consideration that must control is the public interest.

Mr. GOULD. I would like to ask you, Mr. Emery, if, based on your knowledge of conditions and the manufacturers' associations attitude in this country, you feel that to-day the attitude of the employers toward the employee has not had a great change of spirit to what it was five years ago, especially in the matter of the desire to cooperate for what are their mutual interests?

Mr. EMERY. Yes, sir; I think that the changes that have come over the face of the world have made employers more sensitive to these relations. More employers are conscious of the importance of the necessity of maintaining the best relations between employer and employee, in order that production may be successfully carried out. That never was so strongly felt as to-day.

The CHAIRMAN. I understand from your remarks that the manufacturers are not opposed to this legislation—legislation of this character, for the establishment of a Federal Employment Service.

Mr. EMERY. They are not, Mr. Smith, but my reply requires distinctions. On the contrary, they believe that it would be a wise thing to establish—

The CHAIRMAN (interrupting). Will you look over the bill, please, from that standpoint—and no one is more qualified that we know of—and get up a statement and place it on file, send it to us, so that we can have it when it comes to the consideration of this matter, when we take up the bill in committee, file a statement for the guidance of the committee as to the wishes of the manufacturers, so that they can be represented now, even if they have not been before? We would like to have you put in a statement as to what their attitude would be toward this measure, in the different sections which you have mentioned. In addition to that, to what you have stated, we would like to have such a statement from you.

Mr. EMERY. Will you allow me to say a few things along this line here?

The CHAIRMAN. Certainly.

Mr. EMERY. We do not understand the necessity, for instance, of providing for an appropriation for three years for what is to be only an experiment. We do not see the necessity for creating this kind of an organization, an enormous bureaucracy, which organizes over the country a vast body of bureaus in the States, all dominated by the central authority in Washington. These would be so many Federal boards and councils indifferent to the community where they are located, responsible not to that community which they serve, not to the State in which they work, not to the city in which they are placed, but directly removed from the electorate in which they live and move. That goes to the very fundamentals—

The CHAIRMAN (interrupting). You do not feel the necessity for it—

Mr. EMERY. And while during the time of war—

The CHAIRMAN (interrupting). That is the same as being unfavorable—

Mr. EMERY (interrupting). We are unfavorable to that policy embodied here; yes, sir. Manufacturers generally are opposed to this kind of Federal employment service resting upon this kind of a Federal machine.

The experience of the manufacturer has formed his judgment from what he has seen of the practical operation of the service during the war and the conceptions of authority of its administrators. You propose in this measure that the director general shall fix the standards and regulations that should control the efficiency of this service. We may therefore assume that the uniform regulations will probably follow the regulations now in force, and the States may be expected

to accept in the administration of their respective offices the standards which are now in force.

In February the director general issued an order which does what? It deprives any employer of any service of the Federal Employment Agency in time of a strike. It does not make any difference what the cause of the strike may be or whether it is one over which the employer has any control, and very serious disturbances may arise on jurisdictional questions which are not conflicts between the employer and the men at all. You had a case here at Indianhead, in the proving ground, when buildings were going up down there, and a jurisdiction conflict arose between the carpenters and the lathers, and the net result of it was that this project was held up. Now, if that had been a private employer, in spite of the fact that he had no control over the situation, he could not have had the assistance from the Federal Employment Service. They do not say for a moment that the employment service should be used for a moment for the strike making or the strike breaking, but they do say that it must be a neutral body, and it calls itself a neutral body by saying that they would not give men or information about men, because it would be aiding one side of the controversy. Of course, the employment agency is not to pass upon the question as to who is right or wrong. Its function is to fill vacancies, and if it supplies to any man who applies for work the information that there is a strike at the place, then the employment agency has given to the man the information, and he can exercise his judgment, and then it will be a real kind of neutrality. That is the system pursued in the several States and by other nations.

The CHAIRMAN. I do not hardly get the force of your argument. I may be a little dull about the matter, but as I understand it the manufacturers are not opposed to the formation of a United States Employment Service, but they do not see the necessity of it.

Mr. EMERY. That is not the position at all. They are not favorable to the kind of employment service proposed by this bill.

The CHAIRMAN. Are they opposed to any kind of a Federal employment service?

Mr. EMERY. They believe that the function of the United States Employment Service is, first, to remain a neutral agency, and, secondly, the establishment of any agency that the Government could require for its own service—

The CHAIRMAN (interrupting). Well, I am going to ask you to make your suggestions and to put them in the record.

Mr. EMERY. I am doing that; and in connection with that I want to call your attention to what the effect is of providing in any Federal service for the establishment of uniform regulations by a Federal officer. Then the kind of regulations we have had is the kind of regulations we may expect to have, and that has interfered—

The CHAIRMAN (interrupting). You think that the regulations ought to be made by some one who will represent the interests of all affected?

Mr. EMERY. Yes, sir.

Mr. CASEY. Were there any other qualifications to that strike order issued by the Secretary of Labor, Mr. Emery?

Mr. EMERY. No; excepting that after somebody had reached a conclusion on the merits of the controversy that the judgment so

reached would be enforced by the service. When these committees were here in conference with Mr. Frankfurter they reached an agreement with him—we had conferences with the labor organizations and Mr. Frankfurter—and an agreement was reached by which it was understood that so far as the employment agencies were concerned it would continue to supply men, without reference to the merits of the controversy, which was not to be passed upon by any local employment agency; but if the Government reached a conclusion and either party proved recalcitrant, then the director general would apply this policy—

Mr. CASEY (interrupting). Can you tell the committee whether or not the President's attitude in the Bridgeport strike was in conformity with the strike order that you have referred to?

Mr. EMERY. In conformity with what order?

Mr. CASEY. The one that you spoke about.

Mr. EMERY. No; that was issued after we passed out of the war. The President's order was issued during the war. He undertook to enforce a judgment of the National War Labor Board. Wherever you have Federal regulations or direction issued—and that is the serious danger involved in this central agency, issuing directions in orders of that character, because every State, whether it had different policies or not, would receive funds from the Federal Government only by accepting that policy—and Mr. Smyth informed you that that was the policy of the Secretary of Labor, and obviously it would not be changed by the director general or any other officer, but would be an order that would be enforced.

There are other important objections that relate to a measure of this kind, but I do not wish to indulge the time of the committee further, but I shall be glad to file the statement which has been suggested.

Mr. HERSEY. Do you see any way of working over this bill and making one which would be satisfactory to the interests you represent?

Mr. EMERY. I think the proposal made by the House or by the Senate originally, contained in the sundry civil appropriation bill, was an experiment which would be considered. It proposed to appropriate a sum of money for the purpose of establishing a clearing house of information in the District of Columbia, and proposed to receive and compile and analyze and distribute the information in regard to opportunities and the unemployment in the State and give advice and aid in the organization of agencies. It did not propose to control or to direct them.

Senator KENYON. Then, you do not think that it ought to be under the control of the Department of Labor?

Mr. EMERY. Personally, I think it would be better if it was not under the control of the Department of Labor, and it would move with less friction, and would be accepted with less resentment and prejudice, if it were what might be termed a neutral agency. One of the strongest reasons for the feeling that men have in regard to the United States Employment Service was because of some of the uses to which it has been put.

Senator KENYON. Do you think that it was put to political uses?

Mr. EMERY. I am not familiar with that, but I can see the possibility of it being put to political uses, and I have seen very strong

evidence of conceptions of authority that was so arbitrary in its nature that I could not reconcile them with any possible fair function of the exercise of Federal authority.

The CHAIRMAN. Don't you think that this bureau would be denounced on all hands if it took an interest in labor or in politics or in strikes—

Mr. EMERY. It did do that.

The CHAIRMAN. There is a commission; you know that the law provides for a bureau consisting of a number of conciliators and mediators in labor disputes. There are conciliators, a board consisting of the Secretary of Labor and one or two others, which has for its purpose the settlement of strikes and the offering of their good services in the case of a labor strike. Don't you think that this bureau ought to go—

Mr. EMERY. This bureau has nothing to do with that.

The CHAIRMAN. It says "whenever any authorized governmental agency has rendered an award in a strike or other labor dispute, the policy of the department will be to supply the labor, if any be needed, to carry the award into effect." Don't you think that that is as far as that ought to go?

Mr. EMERY. And between the time that the strike is declared and the time when the conciliator and mediator gets into action, what is the policy of the department then?

The CHAIRMAN. To be neutral?

Mr. EMERY. Well, what is being neutral?

The CHAIRMAN. Well, they try to agree and adjust the matter between themselves. Personally I am for the peaceable adjustment of all labor disputes.

Mr. EMERY. And what is the effect under the order?

The CHAIRMAN. The effect under the order is that they are neutral; they meet and these men arbitrate and try to agree, and the effect is that they offer their good offices and come in and try to adjust the matter, they are asked to, and after they make an award, and if the award is for them to return to the plants, you have the authority of the United States, backed up by the Federal law, to make the order effective and to put the men in. I do not think that the bureau should be used in the interest of any particular interest; I agree with you on that. I do not see how you can criticize the department, when they have that policy marked out by the orders that we have spoken of; that is, they should try to get them together.

Mr. EMERY. But the employment service has nothing to do with this at all; they simply operate for the purpose of giving information as to employment—

The CHAIRMAN. That would exist—

Mr. EMERY (interrupting). But the portion of the order which you have read does not go to the criticism I have made. If you will read the order you will see that the conduct of the United States Employment Service is that they will not publish or give any information to persons in regard to that shop where there is a strike. For instance, if a man comes asking for work, the United States Employment Service's attitude is to give him no information in respect to that plant, although there is a plant there that needs men, but it is on strike, and they say they will not give him information in that way.

Mr. CARSS. Do you consider the attitude of the department to be unneutral?

Mr. EMERY. Yes, sir.

Mr. CARSS. And what attitude would you expect the Department of Labor to assume in a case of that kind? To give you the information?

Mr. EMERY. I would expect them to furnish the man who came to the department for information a statement of the vacancy and as to the cause of the vacancy.

Mr. CARSS. Then you would not consider that unneutral at all?

Mr. EMERY. No, sir.

Mr. CARSS. And when they refuse to give information, you consider that unneutral?

Mr. EMERY. I do, sir; because the man who seeks the information is not given any information as to it, and they are entitled to have all the information, whatever it is, as to what is going on at that point.

Mr. CARSS. And would they not claim then that they were not neutral because they were furnishing men in order to break this strike?

Mr. EMERY. But they are not furnishing the men.

Mr. CARSS. But they would be if they gave them the information: how far would you expect them to go?

Mr. EMERY. They ought to be supplied with accurate information, as they would in respect to any other plant.

Mr. CARSS. And do you think that the bureau ought to inform the men that there was a strike on at that plant?

Mr. EMERY. Yes; that there was a strike on at the plant. Suppose that there was a lockout. I would expect that the men would be told that there was a lockout. In the other case, when the men apply for employment, and if machinists were wanted at a place where there was a strike on at the plant, and a machinist applied for employment, he ought to be given the information that there was a strike on at that plant.

Mr. CARSS. And your criticism of the bureau is that they have not furnished information, when they have taken absolutely no hand in the matter—

Mr. EMERY (interrupting). But their position is to refuse information to the striking plant.

Mr. CARSS. And you complain because they ignore the situation entirely and you find that they are unneutral.

Mr. EMERY. They give their reasons and they ignore the situation created, we will say, by jurisdictional disputes, conflicts between the employees themselves and to which the employer is not a party; take the information that you have to-day—the United States Shipping Board is advertising in the papers of the United States to-day for men to operate its ships in order that the United States Government may fulfill and keep the agreement with the Government of France, and the United States Shipping Board is to-day advertising for men, and it does state that there is a strike on against these ships, but it says that it believes it to be necessary to move this freight in accordance with this agreement with the French Government. Under the ruling of the United States Employment Service if that was a private employer he would not have any information given in regard to his needs, so that the sailor who is appealed to to-day would not be given

an opportunity to determine, as a matter of personal judgment, whether he cared to go to work under those conditions or not. It is not the business of the Federal Employment Bureau to determine for him whether he shall go to work there, but as a citizen of the United States, he is entitled to the information from a public employment service in regard to any vacancy, and he should be given the information, and if he chooses to go to that place he is exercising a right that nobody can take away from him; but when the service undertakes to foreclose his judgment and substitute theirs it is closing the doors of opportunity to the citizens of the United States—

The CHAIRMAN. Do you say that the Federal Employment Agency would not tell a man that there was a strike down at the coast under those circumstances?

Mr. EMERY. No, sir.

The CHAIRMAN. It would not tell the men?

Mr. EMERY. No, sir; it would not give any information. I will read the order to you. It is right here. The order declines to publish any information. Now, in August, 1918, the matter had been discussed with Mr. Frankfurter, who was a deputy—

Mr. HERSEY (interrupting). It was testified to my certain witnesses here furnishing some complaints that during the war this Federal Employment Agency, the one in existence now, had in certain localities or States used their agency by the men or the officials that made up the agencies in the States to make speeches at certain plants to laboring men there in favor of unionism. Have you any evidence of this present employment agency being used to unionize men during the time that the organization was functioning?

Mr. EMERY. Well, Mr. Congressman, you heard the statement of Mr. Galpin of the Muskegon case. There were a great many complaints of that kind made. Personally, whenever I had such a complaint, whenever it was made to me I always took the position that if they would supply me with evidence in the shape of a sworn affidavit that I would present the matter to the proper authorities.

Mr. HERSEY. Did you get any?

Mr. EMERY. Yes, sir.

Mr. HERSEY. And were they verified?

Mr. EMERY. Yes, sir. I presented some of them. Take the case which I thought was a very absurd case, and it could be explained possibly on the proposition that it was an individual act. It was a case of an editor of a newspaper in Seattle, who had published some comment on the fact that the men who wanted to work in the shipyard in Seattle had to join the union. Some of the business men there said that they would volunteer, but they were told that they would have to join the union to work as volunteers, and they called up the director of the Federal Employment Service and asked him, "Do you want volunteers to work in the shipyard?"

They were informed that he did, and they said: "We are ready to volunteer in shipyard work, but we understand that we have to join a union. We are ready to work, but we will not join a union." Then he said that he did not want them. He said that there was an agreement between the Seattle yards and the metal trades to the effect that it was a closed-shop agreement by which only the union men were permitted to work there, and when this editor published this a local officer who represented the United States Em-

ployment Service there made a statement in the newspaper, in which he said that he would get the second-class privilege to be taken away from this editor because he criticized the agreement that had been made, and, as a matter of fact, he did request the second-class privilege to be withdrawn; and there was a meeting of business men in Seattle, and they telegraphed me and requested me to bring the matter to the attention of the Federal authorities—that is, as to the conditions there—which I did, and the editor came here personally and the Postmaster General refused to entertain the complaint. I presented this editor to Mr. Densmore, that he might know of this, thinking that he would not sanction any such action by the officer—

Mr. HERSEY. And what was the result?

Mr. EMERY. Well, Mr. Densmore claimed that the man had been loaned from the Immigration Service and had been returned to that service, and he had not any control over him.

Mr. HERSEY. That he had been taken out of the service?

Mr. EMERY. That he had been taken out of the employment service and that he did not have any control over him.

Mr. DENSMORE. I do not think that is fair. Don't make any unfair representations to the committee at all, please.

Mr. EMERY. You remember that I presented that attitude to you, and we gave you the man's name, and that he was an employee of your service, and you stated that he had been in that service, but that then he was in the Immigration Service.

Mr. DENSMORE. But he had not been there for a long time. Don't tell this committee that it was an employee of the United States Employment Service against whom were preferred charges to the Postmaster General, because you do know different.

Mr. EMERY. No; I do not know different. I assert that it was an employee of the service, and after Mr. Densmore had made his statement, the citizens of Seattle made their complaint to the proper man, to the Secretary of Labor, who was in charge of the Immigration Bureau, on the ground that Mr. Densmore could not discipline him, inasmuch as he was in the Immigration Service.

Mr. HERSEY. And was he disciplined?

Mr. EMERY. He was not.

Mr. DENSMORE. I want the committee to understand that this man was not an employee of the United States Employment Service.

Mr. HERSEY. You may make your statement before the committee.

The CHAIRMAN. Yes; you will have an opportunity to make a statement before the committee.

Mr. HERSEY. Mr. Emery, a witness appeared before our committee and he asserted that if the employment service, as provided for under this bill, and this bill provides that if he was Director General of the United States Employment Service he could elect the next President of the United States; what do you think about that?

Mr. EMERY. Well, I think there are at least two political parties who would like to have the gentleman take control. I think, however, a machine of the kind that has been proposed in this bill could, under improper administration, have a very serious political control—

The CHAIRMAN. And do you think that was the reason for it being in the Democratic platform?

Mr. EMERY. Which?

The CHAIRMAN. The United States Employment Service, so as to elect a President?

Mr. EMERY. I do not suppose that they put this kind of a bill into their platform.

The CHAIRMAN. But we are not bound absolutely to the bill. We are very glad to hear your criticisms of it.

Senator KENYON. Then how did the election happen to go as it did last fall, can you tell?

Mr. EMERY. I think that is answered by the gentlemen who say that there is a preponderance of Republicans in control of the service.

Now, I want to illustrate very seriously—I do not want to indulge in personalities, but this matter is so serious that I want to call attention to a condition here, and I call it to the attention of the committee in the presence of the gentleman who participated in it. The first is, Was there any discrimination in this service? I do not want to refer to the past, and I do not want to get into personalities, but I do want to point out two things, that the judgment of the business men about this preparation is formed by their experience in the past, and they can only judge what will happen in the future by what has happened, and I think that this a very vital thing, because I think that in any system proposed for the establishment of Federal employment agencies it seems to me vital that the director general, or whoever the administrative officer is that has control of these matters, must be permitted to establish standards and regulations, and that no matter what the forms the bill assumes, no State shall get Federal aid that does not conform to those standards and regulations, and they become the means over which the Federal courts is to be exerted and perpetuated. What have been the standards of the service? I could bring in any number of cases which I believe to be well authenticated or discriminatory act, but I will only take one, and only one, for the purpose of illustrating exactly how a system of this regulation and control can act.

In February, 1918, when the United States was in the most critical period of the war, statements appeared in the Minneapolis paper from Mr. Burningham, representing the employment service at St. Paul or Minneapolis—I am not sure which—and it was widely commented on at that time, that only union men were wanted on the coast in the shipyards. The council of the Erector's Association, an industry engaged largely in the fabrication and erection of structural iron and steel, had its attention called to that article, and on behalf of the association he investigated the matter and obtained copies of the statement, and he had an interview with Mr. Burningham and he had the matter reasserted, and then called the attention of the Director General of the Employment Service, and he was answered, and I will place the correspondence before the committee, if the committee desires it, and he was answered that Mr. Burningham alluded to the conditions in Seattle, and in Seattle only, where only union men were permitted to be employed in the shipyards, and says that in view of that it would be a crime to send nonunion men where they could not find employment. Mr. Drew, the counsel for the Erectors' Association, called attention specifically to what Mr. Burningham had said, that it did not refer to Seattle only, but that Mr. Burningham had said in the press that no nonunion men

were wanted on the coast, and shipbuilding was going on a various other places on the coast.

Mr. CARSS. Were they all closed shops?

Mr. EMERY. No, sir; they were all open shops except Seattle. Even San Francisco, which operated under an agreement between the Federal trades organizations and the local unions, had no provisions closing those shops, and Mr. Drew pointed out that the statement made applied not only to the case of Seattle but to all the coast, and that the geographical distinction was a simple one and there was no occasion to become confused about it, and he emphasized the necessity for the correction of that situation, and no reply was received to that letter. Just such a statement as that would make a condition between the turning of a large body of men away from the locality at a time when the Nation was crying for ships—

Mr. CARSS (interrupting). Were there any occasions where the nonunion men employed at St. Paul and Minneapolis were refused information in regard to the coast?

Mr. EMERY. Mr. O. P. Briggs declared that he was present when nonunion men, nonunion foundry men, asked for information in regard to Seattle, and there were nonunion men employed in some of the foundries in Seattle, and he was told that there was no use going there.

Now, that is the one proposition, Mr. Chairman, and I confess that it is the one that is most fundamental in forming the opinion of the manufacturers of the United States, and it is predicated upon the conception which these officers seem to possess of their authority, as expressed in their attitude toward local government in the city of San Francisco and in the State of California. When we see that the local government is likely to be overridden and an undue influence exerted upon it—and that is predicated not upon a theoretical assumption, but what actually happened in the State of California, and I have seen some reference to it, and declarations made here, but I have seen no statement of what actually occurred there in order that your committee may determine if that be the conception of authority resting in the employment service, we can form our own conclusions as to how much authority would be exerted in the future.

Mr. HERSEY. To what do you allude?

Mr. EMERY. I allude to the report or the investigation made in San Francisco by the Director General of the Employment Service with respect to the Mooney case, and the subsequent conduct of the director general with respect to the State authorities when requested to appear before the grand jury and verify the statement he had made in his report. I say that it is a serious matter, because it presents the concept of authority, whether it belongs to the person of the director general, the concept of authority undertaken by the department.

Mr. HERSEY. But you read the explanation of the director general?

Mr. EMERY. Yes, sir.

Mr. HERSEY. And also of the Secretary of Labor?

Mr. EMERY. No; I have never heard of any statement of the Secretary of Labor on the subject. I only know what the records show, and I am only here in order to point out this matter from the standpoint stated, as I am not here to discuss the Mooney case. That is not an issue for me to pass upon. But there is presented to your

committee here this conception and the relation of a great public service to an event in any given State; that is, in this matter distantly related to employment—

Mr. HERSEY. Do you understand that at that time Mr. Densmore was a solicitor for the Department of Labor and not the head of the employment agency?

Mr. EMERY. I understand that at the time Mr. Densmore made his report of the investigation of November 1, 1918, to the Secretary of Labor, on what occurred in San Francisco, that he was at that time and six months preceding Director General of the Employment Service, and had not been solicitor of the Department of Labor since at least January, 1918, nine months before he made this report, and the report was signed by him as Director General of the Employment Service. Now, I understand, so far as this report can be referred to, I must confess that the only copy of the report which I have is the report made by the Director General of Employment to the Secretary of Labor, under date of November 1, 1918, and printed in the San Francisco Call of November 23, 1918, and the report has not been obtainable at the Department of Labor.

Mr. HERSEY. It is printed in the Congressional Record.

Mr. EMERY. I saw that Mr. Blanton had excerpts printed in this record, but that is a mere excerpt.

Mr. HERSEY. Have you it in full there?

Mr. EMERY. Here is the report [indicating].

Mr. HERSEY. Have you it in full there?

Mr. EMERY. It covers six newspaper pages. That was not printed in the record, and, as I said before, he made no reference to it, and the director general was here, and if he denies the authenticity of it, why, Mr. Chairman, any remark I made is made subject to that correction.

The CHAIRMAN. Are there any material excerpts or passages that were omitted by Mr. Blanton?

Mr. EMERY. I glanced at the report at the time it appeared, and I do not think it presented the report at all as it is.

Mr. HERSEY. Well, we will get an official one from the Department of Labor if he answers the resolution.

The CHAIRMAN. I think we all agree that it will not affect the basis of this bureau or the establishment of this bureau whether or not that is a correct report or whether Mooney was investigated. We are inclined to think that he was tried, and he and his trial ought to be allowed to rest.

Mr. EMERY. But the people are not willing to allow it to rest, however, and this is why I want to call your attention to this report—not because I care anything for the subject matter of the report—but I am keenly interested in the conception of public authority presented in the report. If this is the conception of public authority that it should dominate the control and direction of a Federal service such as is proposed to be established in this bill, a service which is to control the State agencies, then this report in itself answers any suggestion that has ever been made as to what can be done in the establishment of a political, social, or industrial machine.

Senator KENYON. But does not that go rather to the personnel than to the bill itself—

Mr. EMERY (interrupting). But the only way that we can discuss the question of whether or not a proper bureau is to be placed in charge of a particular Cabinet officer is to ascertain how they conceive their duties and how they propose to work.

Senator KENYON. But you do not know that the same men are to be connected with the bureau.

Mr. EMERY. I have, practically speaking, no means of forming any judgment of the matter, except to presume that if the Employment Service was created under this bill it necessarily is to be administered by the present Secretary of Labor and the director general, the director general is in all likelihood to be the director general under this bill.

The CHAIRMAN. But the President appoints him, and why do you say that the Secretary of Labor would appoint the same director general?

Mr. EMERY. Against the gratuitous assumption that the present administration will not continue, I presume that the Secretary of Labor will continue him. It is no assumption, if you pass this bill, that the present Secretary of Labor will administer it—

The CHAIRMAN (interrupting). But the director general administers it, and he will have to be appointed by the President of the United States, and that President of the United States may be of a different political faith, as we all expect.

Mr. EMERY. And it appears that this report—by the contents of this report it would be indicated that the investigation was made with knowledge, with the presumptive knowledge, of the President of the United States. One of the important things about this report is this, Mr. Chairman, that the report makes the most serious and the most demoralizing charges against a community, against the business men in a community, and against State and city officials. Whether the report be true or false, this is the fact, that it was published, it is publicly stated, without the knowledge or consent of its author. But its author did not deny its authenticity. Its author did not question its authenticity at the time of its publication, and he made no objection to it, but he left the jurisdiction of the State in which the report was made immediately after, and although he was requested at the time by the grand jury of the State and county of San Francisco, which was the only public body under the law to investigate the truth of the charges, and although the foreman of the grand jury and the mayor of the city and the governor of the State requested both him and the Secretary of Labor to come and to direct him to return, and although the Secretary of Labor promised that he would do so, he thereafter declined, and statements have been made in this report which have never been verified, and the grand jury found that they had no foundation, and they have never been verified or withdrawn.

The CHAIRMAN. They have been investigated?

Mr. EMERY. They have been investigated. Mr. Chairman, the important thing about this is that an investigation of that kind and character is conceived to be a part of the function of the Director General of the Employment Service—

Mr. DENSMORE. I think if you would confine yourself—

The CHAIRMAN. Never mind, Mr. Densmore. You will be given an opportunity to be heard.

Mr. DENSMORE. I do not think I will have an opportunity to point out the absolute and deliberate misrepresentations being made to the committee.

The CHAIRMAN. Why will you not have an opportunity? We will give you an opportunity.

Mr. EMERY. Mr. Chairman, in response to that and as to the best means of proving whether or not there is any misrepresentation of Mr. Densmore, it is a very easy matter for him to take the stand on his own behalf, but under his own statement as to the authorship of this report made to the Secretary of Labor of November 1, 1918, we can refer to the statement made by Mr. Densmore, who makes a statement in the Congressional Record of June 24, presented by Mr. Bankhead, and in which he makes the statement as to his relationship to this investigation. Take the report as made and this statement and place them side by side and you will find that one of them can not be true, if you are interested in reading the two reports. They are antagonistic, they are repugnant, they are directly contradictory; that either what is said in one is true and the other is not; and the report made to the Secretary of Labor under date of November 1, 1918, says that the investigation was made for a period of six months, and that it was instigated by the director general; that he was authorized to make it; that he selected the agents to make it; that he supervised their conduct; and that he made this investigation; while the statement is made in the Congressional Record that he was in San Francisco merely as the solicitor of the Department of Labor engaged in the search for corruption in the Chinese immigration cases—

The CHAIRMAN. Do you think that this is material? I don't.

Mr. EMERY. It is material only to this extent, that so far as any individual's opinion about this or that case is concerned, that it is his business—

The CHAIRMAN. But I do not think that any director general is going to destroy the functions of the Government, if the bureau were established, and if you have any restrictions on the bill we will be glad to hear you on them.

Mr. EMERY. I want to emphasize this one thing, that as practical men you can determine how such a thing will be operated in the future only by how it has been operated in the past.

Mr. CARSS. Will you make suggestions as to how the bill should be drawn, defining the duty of the head of this department?

The CHAIRMAN. We are much obliged to you, Mr. Emery.

Mr. EMERY. I am very much obliged to the committee, Mr. Chairman.

(Thereupon, at 12 o'clock noon, an adjournment was taken until Wednesday, July 23, 1919, at 10 o'clock a. m.)

NATIONAL EMPLOYMENT SYSTEM.

WEDNESDAY, JULY 23, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m. in Room 201, Senate Office Building, Hon. J. M. C. SMITH presiding.

Present: Senators Kenyon and Phipps; Representatives Smith (chairman), Nolan, Hersey, MacCrate, Casey, Murphy, and Zihlman.

Also present: William E. Hall, Acting Assistant Director General of the United States Employment Service; John B. Densmore, Director General of the United States Employment Service; Mrs. Howard Gould.

The committee continued consideration of the Senate bill (S. 1442) to provide for the establishment of a national employment system and to provide for the cooperation of the States in the promotion of such system, and to regulate the expenditure of money that shall be appropriated for such service; and the Senate bill (S. 688) to provide for a national employment system, and the House bill (H. R. 4305) to provide for the establishment of a national employment system and for cooperation of the States in the promotion of such system, to regulate the expenditure of moneys that shall be appropriated for such purposes.

STATEMENT OF MR. WILLIAM E. HALL, ACTING ASSISTANT DIRECTOR GENERAL OF THE UNITED STATES EMPLOYMENT SERVICE.

MR. HALL. My name is William E. Hall. I reside in New York City. I am at present acting assistant director general of the United States Employment Service, and was until a few months ago director of organization. In private life I am president of the Trojan Powder Co. and allied companies, vice president of the Durion Castings Co., vice president of the Stackpole Carbon Co., and also an officer and director in a number of other manufacturing and mercantile and financial corporations. In 1918 the companies which I represent employed between five and six thousand men; now considerably less. I was asked to join the Department of Labor April 20, 1917, to take charge of the mobilization of boys of 16 years of age and over in war work, because I am president of the Boy's Clubs Federation, a national organization having to do chiefly with the boy who has to work to earn his living. When the Employment Service was organized, January 3, 1918, I accepted the position of director of organization, which had to do with the building up of the organization in the

field and in the administrative offices. I have been with the United States Employment Service ever since.

Mr. HERSEY. You have already testified, have you not, Mr. Hall?

Mr. HALL. To a very small extent, in regard to the woman's division.

Now, Mr. Chairman, I would like to put in evidence a number of documents.

The CHAIRMAN. Permission is granted, if there is no objection.

Mr. HERSEY. Just tell what they are.

Mr. HALL. I wish to offer for the record the resolutions passed at the thirty-first annual meeting of the executive board of the National Council of Women, April 18, 1919. I may add that this organization has a membership of 10,000,000 in the United States.

The CHAIRMAN. It may be received.

(The resolutions above referred to are printed in full in the record as follows:)

Whereas there are between eleven and twelve million wage-earning women in the United States to-day; and

Whereas the United States Employment Service has placed 600,000 of these women in essential industries during the past year, widened woman's economic opportunity, helped to maintain labor standards in every community, and, by so doing, caused a vast saving in labor turn-over; and

Whereas the United States Employment Service is placing 80 per cent of all demobilized soldiers, sailors, and marines who wish aid in securing employment; and

Whereas justice demands that the Nation provide an employment system, in order that the soldiers, sailors, and war workers be not penalized for their war service, and in order that woman's wider interest and equality of opportunity in industry, gained during the war, be not now relegated to a minor place: Therefore be it

Resolved, That the National Council of Women, remembering the President's patriotic appeal to the women of the country to steadfastly uphold the standards for which our forefathers fought, and believing that industrial unrest is augmented by unemployment, requests that every member of the federation should use her best efforts to secure the legislation required to establish the United States Employment Service within the Department of Labor on a permanent national basis; and be it further

Resolved, That a copy of this resolution be spread upon the minutes of the thirty-first annual meeting of the executive board of the National Council of Women; that a copy be transmitted to the President of the United States, the Secretary of Labor, the President of the Senate, and the Speaker of the House of Representatives of the United States, respectively, and that every club officer be requested to send a copy to the Senators and Representatives in Congress from her State.

EVA PERRY MOORE (Mrs. PHILIP NORTH),
President.

MARY M. NORTH,
Secretary and Chairman of Publicity.

Mr. HERSEY. What is the purpose of that, Mr. Hall?

Mr. HALL. They ask for a permanent employment service.

Mr. HERSEY. They ask for a permanent employment service—a free employment service?

Mr. HALL. Oh, yes.

I now wish to offer for the record the resolution of the National League for Woman's Service, comprising about 700,000 members, indorsing the United States Employment Service and asking for a national employment service. It may be interesting for you to know that the board of directors are Miss Maude Wetmore, of Rhode Island, chairman; Mrs. Coffin Van Rensselaer, New York, first vice chairman; and Mrs. John A. Logan, New York, second vice chairman;

Miss Anne Morgan, New York, treasurer; Miss Grace Parker, New York, secretary and national commandant; Mrs. Rogers H. Bacon, New York; Mrs. Edgar W. Baird, Pennsylvania; Mrs. Horace Brock, Pennsylvania; Mrs. Katharine Phillips Edson, California; Mrs. Goelet Gallatin, Wyoming; Mrs. Walter Gibb, New York; Mrs. Daniel Guggenheim, New York; Mrs. George Hoadly, Ohio; Miss Helen R. Keep, Michigan; Mrs. Alexander Kohut, New York; Mrs. Robert Lovett, Massachusetts; Mrs. Duncan McDuffie, California; Mrs. John W. Mariner, Wisconsin; Mrs. J. Willis Martin, Pennsylvania; Miss Marie Obenauer, Maryland; Mrs. Thomas B. Owen, Alabama; Mrs. Lindsay Patterson, North Carolina; Mrs. Thomas J. Preston, New York; Mrs. C. C. Rumsey, New York; Mrs. Hugh L. Scott, New Jersey; Mrs. C. A. Severance, Minnesota; Mrs. E. C. Smith, Vermont; Mrs. Winfield R. Smith, Washington; Mrs. Lewis B. Stillwell, New Jersey; Mrs. Caspar Whitney, New York; Miss Agnes Wilson, Washington, D. C.

The CHAIRMAN. Permission is granted for the printing of those resolutions.

(The resolution above referred to is printed in full in the record, as follows:)

In this time of urgent need for placing the demobilized soldiers and war workers in civilian employment and the necessity of the readjustment of the employment of girls and women, coincident with the return of the demobilized forces to civilian life, the National League for Woman's Service recognizes the vital importance of a United States Employment Service for men and women: Therefore be it

Resolved, That the National League for Woman's Service does hereby offer to the United States Department of Labor its hearty cooperation for the continuance of the employment service; that the Director General be asked to define the principle "upon which consideration must be given to continuing both men and women's work," with the recommendation that in making the allotment of funds available, pending the next session of Congress, a prorata amount based upon industry's relative demand for men and women workers be utilized in order that the deficit left after such prorata is made may be known and serve as a basis for action in each community.

Mr. HALL. I also desire, Mr. Chairman, to offer for the record the resolution of the Association of Collegiate Alumnae, adopted on April 17, 1919, who are also interested in the service.

The CHAIRMAN. It may be printed.

(The resolutions above referred to are printed in the record, as follows:)

Whereas we believe that the continuance of a country-wide system of public employment offices is essential to the adequate solution of the urgent industrial and community problems confronting the country in this period of readjustment and reconstruction; and

Whereas we believe furthermore that the establishment by law of a permanent United States Employment Service with the Federal Government and the States cooperating therein would be an act of far-reaching and constructive public policy, contributing to the stabilizing, understanding, and improving of working and living conditions in the United States; and

Whereas, as college women, we are profoundly convinced of the necessity of the right sort of professional leadership in industrial, social, and civic affairs: Therefore be it

Resolved, That we, the members of the Association of Collegiate Alumnae, representing the graduates of 75 universities and colleges of the United States, in biennial convention assembled in St. Louis, Mo., on the 3rd day of April, 1919, do most earnestly petition and request the Congress of the United States

(1) To provide for the continuance of the present War Emergency United States Employment Service until such time as a permanent service may be es-

established by law, in order that a country-wide system of public employment offices under the direction of the Government may not lapse at a time when it is imperatively needed and is winning the confidence of all groups of workers and employers and of the public; and

(2) To establish by statute at the earliest possible opportunity a permanent United States Employment Service with powers and duties defined in the light of the best experience of such services in this country and elsewhere and after a comprehensive study of its fullest possibilities of usefulness; and

(3) To provide in such a permanent service a service for professional workers, both men and women, in order to secure the fullest participation of such workers in the productive work of the country, to enlist the cooperation of colleges and professional schools in the training of such workers and to assist in drawing into public employment service as a career the best types of young men and young women; and be it

Resolved, That copies of this resolution be sent to all members of the United States Congress.

Mr. HERSEY. Do you know whether those resolutions have been returned to the House and printed in the Record?

Mr. HALL. Do you mean, by the "Record," printed in the Congressional Record?

Mr. HERSEY. Have they been introduced? They would certainly go into the Record if they were introduced.

Mr. HALL. No; they have not. They are resolutions from various women's organizations throughout the States.

Mr. HERSEY. And no Congressman or Senator has had them or introduced them in the Record?

Mr. HALL. Not to my knowledge.

I offer, as a matter of record, the resolution of the General Federation of Women's Clubs, indorsing the United States Employment Service, and asking for its continuation.

The CHAIRMAN. Those resolutions may all go in the record.

(The resolution above referred to is printed in full in the record, as follows:)

Whereas, there are between eleven and twelve million wage-earning women in the United States; and,

Whereas, the United States Employment Service has placed 600,000 of these women in essential industries during the past year, widened women's economic opportunity, helped to maintain labor standards in every community and by so doing, caused a vast saving in labor turnover; and,

Whereas, justice demands that the Nation provide an employment system in order that soldiers, sailors, and war workers be not penalized for their war service; and, in order that women's wider interest and equality of opportunity in industry, gained during the war, be not now relegated to a minor place; therefore, be it

Resolved, That the General Federation of Women's Clubs, believing that industrial unrest is augmented by unemployment, should use its best efforts to secure the legislation required to establish the United States Employment Service within the Department of Labor, on a permanent, national basis; and be it further

Resolved, That a copy of this resolution be spread upon the minutes of the General Federation of Women's Clubs at the council meeting, that an engrossed copy be transmitted to the President, the Secretary of Labor, the Senate and House of Representatives, respectively, and that the States and clubs here represented be requested to send a copy to their Senators and Representatives in Congress.

Mr. HALL. I also offer as a part of the record a resolution of the Missouri Federation of Women's Clubs indorsing the United States employment service.

(The resolution above referred to is printed in full in the record, as follows:)

Whereas there are between eleven and twelve million wage-earning women in the United States to-day; and

Whereas the United States Employment Service has placed 600,000 of these women in essential industries during the past year, widened woman's economic opportunity, helped to maintain labor standards in every community, and by so doing caused a vast saving in labor turnover; and

Whereas the United States Employment Service is placing 80 per cent of all demobilized soldiers, sailors, and marines who wish aid in securing employment; and

Whereas justice demands that the Nation provide an employment system in order that soldiers, sailors, and war workers be not penalized for their war service; and in order that women's wider interests and equality of opportunity in industry gained during the war be not now relegated to a minor place: Therefore be it

Resolved, That the Missouri Federation of Women's Clubs, believing that industrial unrest is augmented by unemployment, should use their best efforts to secure the legislation required to establish the United States Employment Service within the Department of Labor on a permanent national basis; and be it further

Resolved, That a copy of this resolution be spread upon the minutes of the Missouri Federation of Women's Clubs; that an engrossed copy be transmitted to the President, the Secretary of Labor, the Senate, and the House of Representatives as soon as the session is called, and that a copy be sent to the Senators and Representatives in Congress from the State of Missouri.

Mr. HALL. I also offer as a part of the record a resolution of the New Jersey State Federation of Women's Clubs, passed May 23, 1919.

(The resolution above referred to is printed in full in the record, as follows:)

Whereas the Federal Employment Bureau, as carried on during the war, has demonstrated the need for such bureau: Be it

Resolved, That the New Jersey State Federation of Women's Clubs indorse the outline of "bill to provide for a national employment system," as unanimously adopted by delegates representing the governors of States and the United States Employment Service, to a conference on employment called by the Secretary of Labor and held in Washington, D. C., April 23, 24, and 25, 1919, with special indorsement of clause 1, as follows:

"1. The United States Employment Service shall be continued as a permanent bureau in the Department of Labor, to promote the establishment and maintenance of public employment offices for men, women, and juniors. It shall be managed by a director general, who shall be appointed by the President, and to assist in working out standards and policies for the operation of the employment system of the Nation an advisory board may also be appointed by the President. A woman assistant director general shall be appointed by the Secretary of Labor to have general supervision of all matters relating to the employment of women, and there shall be such other assistants and employees in the District of Columbia and elsewhere as shall be necessary to carry out the purpose of the act."

Mr. HALL. I also offer as a part of the record resolutions passed by the Women's Trade Union League in Philadelphia.

The CHAIRMAN. They are all along in the same mold, I suppose, are they not?

Mr. HALL. Yes; they are all indorsements.

The CHAIRMAN. They may be received.

(The resolution above referred to is printed in full in the record, as follows:)

Whereas during the war emergency period it was found expedient and necessary to the national security and defense to create within the Department of Labor a National Public Employment Service, charged with the responsi-

bility of recruiting and supplying the labor needed by those industries most vital to the proper support of the American Armies in France; and Whereas a National Public Employment Service is as expedient and necessary in time of peace as in time of war, in order to save wage earners from being exploited by unscrupulous fee-charging agencies and to afford every possible facility to workers out of employment in one State or section of the country to secure positions open in another; and Whereas the United States Employment Service stands so high in the estimation of the public generally that, Congress having failed to pass the necessary appropriation measures for the continuance until the close of the present fiscal year ending June 30, 1919, it is now being continued largely at community expense; and

Whereas Congress has been asked by the Secretary of Labor to make legislative provision to continue the United States Employment Service as a permanent national employment service: Now, therefore, be it

Resolved, That the seventh biennial convention of the National Women's Trades Union League indorse the United States Employment Service and the splendid record it has made in placing millions of wage earners in permanent, profitable employment; and be it further

Resolved, That it is the sense of this convention that the Congress of the United States should make immediate and adequate legislative provision for the continuance of the United States Employment Service in the Department of Labor as a permanent national employment service under the control and management of the Federal Government; and be it further

Resolved, That while commending the Secretary of Labor and the Director General of Employment for the large measure of participation already granted to women in the supervision and direction of woman's work, that it is the sense of this convention that the position of a woman assistant director general shall be created by statutory law, and all matters relating to the employment of women throughout the country should be placed under the supervision of women employees, to be directly responsible to a woman assistant director general; and be it further

Resolved, That copies of these resolutions be forwarded to the President of the United States, the Secretary of Labor, the Director General of Employment, and the Congress of the United States.

Mr. HALL. I also desire to offer a letter dated May 20, 1919, Kansas City, Mo., to Hon. James A. Reed, Washington, D. C., embodying resolutions of the advisory council of the women's division of the United States Employment Service, and others.

(The letter above referred to is printed in full in the record, as follows:)

THE ADVISORY COUNCIL OF THE WOMEN'S DIVISION,
Kansas City, Mo., May 20, 1919.

Hon. JAMES A. REED,
Washington, D. C.

DEAR SIR: The advisory council of the women's division of the United States Employment Service, composed of a representative of each of the following women's clubs: Association of Collegiate Alumnae, Consumers' League, Young Women's Christian Association, Women's Trade-Union League, Jewish Educational Institute, Women's City Club, Council of National Defense, Athenaeum, Red Cross, and National League for Women's Service, called a mass meeting of Kansas City women at Grand Avenue Temple, May 19. At this meeting the following resolutions were unanimously adopted:

Whereas the Sixty-fifth Congress failed to appropriate funds for the continuance of the United States Employment Service; and

Whereas we think this service vital: Be it

Resolved, That Congress be urged:

1. To provide for the continuance of the present war emergency United States Employment Service until such time as a permanent service may be established by law, in order that a country-wide system of public employment offices under the direction of the Government may not lapse at a time when it is imperatively needed and is winning the confidence of all groups of workers and employers and of the public; and

2. To establish by statute at the earliest possible opportunity a permanent United States Employment Service, with powers and duties defined in the light

of the best experience of such services in this country and elsewhere and after a comprehensive study of its fullest possibilities of usefulness.

We urge that you vote "yes" on these two vital matters.

Yours, very truly,

Mrs. FRANK A. HAGERMAN,
Chairman.

The Kansas City Women's Trade-Union League, representing several thousand women workers, wishes to know at your earliest convenience how you are going to vote on the following:

1. The \$150,000 appropriation for the Women in Industry Service and a law making this service a permanent bureau.
2. The deficiency bill for the United States Employment Service and a law making this service a permanent bureau.

We earnestly urge that you vote "yes" on the above.

May we have information on your position in regard to these matters at the earliest possible moment, as our national meeting is set for June 2?

Yours, very truly,

Mrs. SARAH GREE,
President.

Mr. HERSEY. That last letter was addressed to Senator Reed, was it not?

Mr. HALL. Yes, sir.

Mr. HERSEY. And has he introduced it, do you think?

Mr. HALL. No.

Mr. HERSEY. He has received it, has he?

Mr. HALL. He has received it; yes; that is, I presume he has received it.

Mr. HERSEY. It is addressed to him and I suppose that he did receive it.

Mr. HALL. I wish next to offer as a part of the record resolution of the Boston Women's Trade-Union League.

(The resolution above referred to is printed in full in the record as follows:)

Whereas, it should be the function of the United States Government to provide means for furnishing of employment to its workers. Therefore be it

Resolved, That this body go on record as heartily in favor of United States Employment Service, and that the delegates to this conference urge their various locals to send messages to Congress asking for an adequate appropriation for the United States Employment Service; and be it further

Resolved, That messages be sent from this body to Congress as soon as it convenes.

Mr. HALL. I also desired to offer as a part of the record resolutions adopted by the Department of the Illinois, Woman's Relief Corps, Auxiliary to the Grand Army of the Republic, in convention, Rockford, Ill., June 12, 1919.

(The resolution above referred to is printed in full in the record as follows:)

Whereas there are between eleven and twelve million wage-earning women in the United States to-day; and

Whereas the United States Employment Service has placed more than 600,000 of these women in essential industries, thereby widening women's economic opportunity, helped to maintain labor standards in every community, and by so doing caused a vast saving in labor turn over; and

Whereas the United States Employment Service is placing 80 per cent of all demobilized soldiers, sailors, and marines who wish aid in securing employment; and

Whereas justice demands that the Nation provide an employment system in order that soldiers, sailors, and war workers be not penalized for their service,

and in order that women's wider interest and equality of opportunity in industry gained during the war be not now relegated to a minor place: Therefore be it

Resolved, That the Department of Illinois, Women's Relief Corps, believing that industrial unrest is augmented by unemployment, use their best efforts to secure the legislation required to establish the United States Employment Service within the Department of Labor on a permanent national basis, and providing that this service shall extend to men, women, and juniors; and be it further

Resolved, That fairness and justice demands that the position of Assistant Director General be filled by a woman; and be it further

Resolved, That a copy of this resolution be transmitted to Congressman Good, chairman of the Appropriations Committee, and that each member be requested to send a copy or its equivalent to the Senators and her Representative from her district.

Mr. HALL. There are a number of letters of indorsement of the work done in the women's division, which later I would like to put in the record if there is no objection.

Mr. HERSEY. Why don't you put them in right now?

Mr. HALL. I would like to have an opportunity to pick them out.

Mr. HERSEY. Let me ask you, how did you obtain these statements and letters of indorsement from the women's clubs throughout the country? How did you get them?

Mr. HALL. I am not familiar with that. I suppose that they were asked to pass the resolutions.

Mr. HERSEY. Asked by whom?

Mr. HALL. I do not know. I am putting these in for Mrs. Neale.

Mr. HERSEY. Who is Mrs. Neale?

Mr. HALL. She is the director of the women's division, and I think it would be better to get your information from her.

Mr. HERSEY. Is she here?

Mr. HALL. Yes; I think that she will be here to-day.

The CHAIRMAN. You may proceed.

Mr. HALL. Mr. Chairman, I have already given the stenographer my name and address and whom I represent and the general details, so that we may proceed if you are willing.

The CHAIRMAN. We will proceed, Mr. Hall. You may proceed in your own way to make your statement, and I would like whether or not you are to be interrupted while you are making your statement by questions or whether you would rather have the questions deferred until you have completed your statement.

Mr. HALL. I think it would save time if you will allow me to make my statement and ask whatever questions you may desire afterwards.

The CHAIRMAN. All right, proceed.

Mr. HALL. At the outset I want to disclaim any personal interest in the continuance of the United States Employment Service. My only interest is in seeing that there is established a system which will do away with a great economic waste. I expect very soon to return to my private business and I have no intention of holding a Government position of any kind.

Stripped of nonessentials, the two salient points that have been brought out before the committee before are: First, is there a need for a national service; and, second, is there a danger that the employment service will be put to an improper use?

I regard those as the two salient points.

Now, in the first place, I will address myself to the question, "Is there a need for a national employment service?"

I believe that it has been an uncontested fact here that free employment bureaus are an economic benefit to the community in which they operate. The National Association of Manufacturers has endorsed the State systems of employment service, from which fact we might infer that they believe in free employment bureaus. Every witness here, with one exception, has testified that he believes in free employment bureaus. That belief is doubtless based upon the principle that a worker is entitled to information as to where he can earn his livelihood, and that continuous employment increases the production of a community, thereby makes more proceeds to divide, and also increases the consuming power of the working people.

Now the question comes, If national employment bureaus are a benefit, what is the best way to obtain them?

Now, it has been repeatedly asked before this committee "what is it that a Federal employment service can do that a State employment service can not?"

My first answer to that is "exist." At the present time we really have no comprehensive State employment system. Only 10 States have anything approaching systems. A few of the other States have a single office, with one clerk, on a small appropriation of \$1,200, to carry on the employment business of the State.

I have here a diagram which I would like to put into the record, showing the State employment offices in 1916 and the State employment offices in 1919, and the amount of money available in the States in 1916 and the amount of money available in the States in 1919, or the present time, and I think that you will be interested in looking at this diagram and will see how inadequately, from the organization point of view of the labor market, they are provided for, and the employment situation is handled by the State agencies.

The CHAIRMAN. Without objection, permission is granted.

(The diagram above referred to is here reproduced in full in the record, as follows:)

State support of public employment offices.

States.	Year established or first recorded date.	Expenditures 1916.	Number of offices 1916.	Appropriation 1919.	Number of offices 1919.	Remarks on present appropriation.	Next meeting of legislature.
Alabama.....							1923
Arizona.....				\$2,500	1		1920
Arkansas.....							1921
California.....	1914	\$41,949.48	4	75,000	10	State Board Control. will provide \$10,000 additional in 1919-20.	1921
Colorado.....	1907	14,640.00	4	13,900	4	\$3,000 for soldiers.....	1921
Connecticut.....	1901	8,106.00	5	20,000	5		1921
Delaware.....							1921
Florida.....							1921
Georgia.....							1920
Idaho.....							1921
Illinois.....	1899	63,906.96	6	107,500	22	Two-year appropriation \$215,095.	1921
Indiana.....	1909	11,120.00	5	38,000	9		1921
Iowa.....	1915	1,200.00	1		1	One clerk and funds for his office.	1921

State support of public employment offices—Continued.

States.	Year established or first recorded date.	Expenditures 1916.	Number of offices 1916.	Appropriation 1919.	Number of offices 1919.	Remarks on present appropriation.	Next meeting of legislature.
Kansas.....	1901	1,000.00	1	\$1,400	1	One clerk.....	1921
Kentucky.....	1912	2,196.00	1	2,000	2	Two representatives; 1 in Louisville and 1 in Paducah.	^a 1920
Louisiana.....							^a 1920
Maine.....							1919
Maryland.....							1920
Massachusetts.....	1906	32,399.55	4	31,165	3	Fiscal year ending Dec. 1, 1919.	1919
Michigan.....	1895	12,421.00	10	25,000	10		1919
Minnesota.....	1907	9,521.37	3	25,000	3	Amount includes activities of Commissioner of Labor.	1920
Mississippi.....							1921
Missouri.....	1899	13,560.00	3	17,500	1	Amount includes activities of Commissioner of Labor.	1921
Montana.....							1921
Nebraska.....	1915	7 5,460.00	2			\$1,500 for 5 months for Soldiers, Sailors and Harvest Hands.	1921
^a Nevada.....							1921
New Hampshire.....							1921
New Jersey.....	1909	^a 9,850.00	2	25,000	4	Including Soldiers.....	1920
New Mexico.....							1921
New York.....	1915	38,841.66	5	253,000	23		1920
North Carolina.....							1921
North Dakota.....							1921
Ohio.....	1890	^a 25,889.11		40,000	7		1921
Oklahoma.....	1908	6,094.00	4	13,500		A few seasonal offices in addition.	1921
Oregon.....							1921
Pennsylvania.....	1915	^a 600.00	5	70,000	12	\$1,500,000 for reconstruction of which not more than \$40,000 can go for Employment Offices.	1921
Rhode Island.....	1908	3,290.00	1	9,774	4	Year ending Dec. 31, 1919....	1920
South Carolina.....							1920
South Dakota.....				27,500	3	To reimburse 3 regular offices to Jan. 1, 1919, and provide seasonal offices for harvest.	1921
Tennessee.....							1921
Texas.....							1921
Utah.....							1921
Vermont.....							¹¹ 1920
Virginia.....							^a 1920
Washington.....						Of \$500,000 for reconstruction, a part can be used for soldiers and sailors.	1920
West Virginia.....					3	Operated by public subscription.	1920
Wisconsin.....	1899	^a 10,278.50	4			\$100,000 appropriated by Legislature, not signed by Governor.	1920
Wyoming.....							1920
Total.....		311,333.63	70	785,254	129		

¹ Quadrennial. ² Municipal or county support included. ³ April. ⁴ June. ⁵ January.

⁶ March.

⁷ Municipal or county and Federal support included; incompetent record.

⁸ Municipal or county and Federal support included

⁹ Federal support included.

¹⁰ Incompetent report.

¹¹ October.

Mr. HALL. Now, I say, if you want free employment bureaus in the United States, the slowest way is to educate each State legislature in regard to the benefits of the free employment bureau or free employment system in the States. That is the slowest method, by far. For years we talked about vocational education in the United States; everybody conceded that it was beneficial, and yet only a

few States had vocational training in a desultory way. The vocational bill was passed, and now 48 States are cooperating with the vocational board in the matter of vocational training, and a member of your committee has stated that more has been done in his State in the last year and a half than was done in 25 years previously in the matter of vocational training. Just a few years ago there were not any extension systems in agriculture; only four States had any extension systems, and they were incomplete. To-day, under the national law, the Department of Agriculture has thousands of farm agents, one practically in every important county in the United States, and they have a million boys and girls members of clubs that make them proprietors and make them stick to the soil and stick to the farm, and they have two or three thousand home demonstrators, and I believe that the national wealth has been increased at least ten times the amount that has been expended in the Agricultural Department.

And so the very first point that comes before us is the fact that if we want any employment systems to speak of for years to come, we must subsidize the States and encourage them to establish employment services. There are 21 States which do not have any meeting of the legislature for the next two years and one State where the legislature does not meet for four years, and now you see what you are up against in trying to convince the State legislatures in this matter.

Then there is another reason for the establishment of a national employment service, and that is the movements of labor are not confined to any particular State; the movements of labor do not respect State lines. It is impossible to build a wall on an imaginary line and say that labor shall not pass. We have great gateways of labor in this country. We have Boston serving New England, New York serving the United States, Chicago serving the West, St. Louis serving the Southwest, Minneapolis serving that northwestern territory, and through these cities hundreds of thousands of laborers pour every year. Now, we can not shut our eyes to that fact, and surely a State employment system, no matter how highly developed, can not function successfully as to interstate business.

Now, I regard the greatest usefulness that this employment service can give—that is, the national employment service—is in the case where we have a shortage of labor. Some people have called it an unemployment service; I do not regard it so; it is a real employment service. I would just like to read to you some figures on employment in the United States.

Mr. HERSEY. Why don't you put them into the record?

Mr. HALL. Well, some very pertinent questions have been asked as to unemployment, and I would like to have it in the minds of you gentlemen while I am making my argument here.

Mr. HERSEY. There is not any unemployment to-day, is there?

Mr. HALL. There certainly is; yes. I will show it here in just a moment. I may say that Mr. Hornell Hart has made a special study in his "Fluctuations in Unemployment in the Cities of the United States" from 1902 to 1917. In 1902 Mr. Hart found an average of 2,750,000 workers out of employment at all times during the year. In 1903, 1906, 1907, 1910, and 1917 the annual average fell below 2,000,000. During the depression of 1908 it was 3,500,000, and during 1914-1915 it was 4,500,000. Throughout the 16 years the unem-

ployed constituted, on the average, 9.9 per cent of the labor force. In 1902 this percentage reach 14.1 per cent; in 1908, 14.8 per cent; in 1915, 15.8 per cent, and in 1916, 16 per cent. It fell to 5.5 per cent in 1906, to 6 per cent in 1916, and to 4.7 per cent in 1917. Mr. Hart cites additional evidence to prove that between 1902 and 1917 there was never a time when there was not from 1,000,000 to 6,000,000 idle workers—he does not include farm workers—while the average number of unemployed was 2,500,000, or nearly 10 per cent of the workers. In 1907 and 1917 the labor demand exceeded the normal supply and still unemployment is shown. His explanation is that urban industries required a working labor margin of at least 4 or 5 per cent, or 1,000,000 to 1,500,000 workers. These are the men who, though normally employed, are temporarily not working because of sickness, seasonal fluctuations in their trades, changing from one position to another, strikes, shortage of material, or transportation facilities, etc. Hence we have the paradox of 1,250,000 unemployed at the same time with an unprecedented demand for labor. Mr. Hart's evidence does not stand alone. Nearly every report ever issued on the subject of supply and demand indicates that labor shortage and labor surplus are coexistent. While tens of thousands of workmen are needed in one place or one industry there is a large labor reserve coexistent.

Kelly, in his "Hiring the Worker," page 208, makes another interesting statistical statement. Every year in normal times 3,000,000 able-bodied men are out of work for at least three months in the year. Now, I say that the greatest use that the employment service can be put to—

Mr. HERSEY (interrupting. What do you reckon as unemployment? Do you reckon men out on a strike as unemployed?

Mr. HALL. I do not.

Mr. MACCRATE. Do you know whether they do, the men whom you have quoted?

Mr. HALL. I do not.

Mr. HERSEY. You do not know whether the party who wrote this does or not?

Mr. HALL. No; but I believe that the men out on a strike would not affect these figures very materially. That is my best judgment. I believe that in the case of a shortage of labor, a national employment service is absolutely essential. In cases of a shortage of labor we must get the most production out of our existing assets of labor. That means that every time we accelerate the hiring of a man between the time he leaves from his past position and his taking of his new position that we gain just that much in production.

Now, take the war, for instance. When you realize that with the war going on 4,000,000 men were taken out of active production in the United States, and that we produced more than we ever did before in the history of the United States, with the fact facing us that immigration had been cut off for four years, which is supposed to take care of the normal growth in industrial development, when we realize that we want to realize that the slack was taken up somewhere. Where did that slack come from? It came from what I call the reserves that are ordinarily at the factory gates, or on the park benches, if you wish, in the cities and in the country towns.

Now, in order to take up the slack, it is absolutely essential to have outposts to find out where the slack is, and that is what our employment service does. An employment examiner who is a good examiner will get in touch with the labor supply of his own community; and another thing, an examiner in an employment office will notify immediately the cessation or shutting down of any industry which discharges or loses any considerable number of men. During the war I remember one instance when 200 carpenters were let out on Friday night. On Monday morning those men were all at work on separate jobs, in separate groups, and there was only one day lost.

Mr. HERSEY. But if those men belonged to a union and should go out on a strike, the union takes care of the men.

Mr. HALL. But all of the carpenters are not in a union.

Mr. HERSEY. But you are speaking now of handling nonunion men only?

Mr. HALL. Well, I suppose we have handled some union men during the time. I have statistics here to prove that union men are continuously out of employment.

Mr. HERSEY. You heard Mr. Morrison state—

Mr. HALL (interrupting). And I am not familiar, in that case, whether the carpenters were union or nonunion, and I will say that there was only one day lost; and if there had not been an employment service those men would have had to have taken the time to gather up their tools and inquire where the next building operation was, and it would have taken some time to get them any job. Take, for instance, a road-building operation over in Virginia, and say that 1,000 men are released, and they would inquire where there is other road building going on, and there may be some over in Kentucky, and the men would go there, and there might be some in some other State—say, for instance, North Carolina—and the men would go there and find no jobs, and all of the time here in the State of Maryland there might be a road-building operation crying for men. So I say it takes up the slack and puts a man to work and connects them up quickly with the job, and in time of labor shortage we must utilize the labor assets to the utmost.

Senator PHIPPS. I would like to ask Mr. Hall if he does not think that a very large part of the slack was taken up by the injection of women into the activities of the country, and another large portion was taken up by the enforcement of the rule prohibiting loafing in the various States of the Union, whereby these men who were formerly hanging around the street corners were told to get to work or get into the Army?

Mr. HALL. As to the loafing proposition, I doubt whether that had a very effective result. As to the other, it is true that the women were put into the industries, and a great many women were put into industries through the United States Employment Service, and they were put in under proper auspices, for we do not send women to plants where they should not be sent. For instance, in a large plant in Maryland, I remember, in one month we put 5,000 women in there, and I believe that women should work in the factory under proper conditions. I believe in that.

Senator PHIPPS. My own observation as to the enforcement of the class whom we term "loafers" was very effectively done, the enforcement of the rule relative to making them work.

Mr. HALL. You say that your observation was that it was effective. It was my experience that it was not very effective.

Mr. MACCRATE. Well, it kept the streets of New York cleared of them; I remember that. How many women were placed in the country that were not working before the war?

Mr. HALL. Well, we placed 700,000.

Mr. HERSEY. Were they war workers?

Mr. HALL. In essential industries, most of them; and some of them were put into nonessential work, the women taking the place of men who left to go into more essential work.

Mr. HERSEY. Now, what will happen to them after the war?

Mr. HALL. Do you mean now?

Mr. HERSEY. Yes; what will happen to them after the war?

Mr. HALL. Some of them who did not have to earn their own living but went into the work because of patriotic motives have already gone back, and some are still working in the factories, and others have gone back to domestic duties.

Senator PHIPPS. You say that you have a record of some 700,000; do you think that would represent any large proportion of the total number of women who secured employment by reason of war conditions? Do you imagine that one-half of the women who found employment found it by reason of the war conditions?

Mr. HALL. I will be very glad to furnish a statement as to that for the record.

The CHAIRMAN. If you can, please furnish a statement. I would like to inquire whether you have any estimate of the number of laboring men in the United States?

Mr. HALL. Do you mean people engaged in gainful occupations?

The CHAIRMAN. Classed as workingmen. Don't you think it is important to show the field of this activity?

Mr. HALL. Yes; I think it is material. I might say that Dr. Lescohier, who testified here, one of the great authorities on employment, after an investigation, came to the conclusion that 50 per cent of the workers in the United States were permanently employed, and the other 50 per cent changed their jobs and were engaged in temporary employment or seasonal occupations, and were let out by plants when they were shut down on account of overproduction, and for other reasons, that men leave their jobs. In other words, 50 per cent—it is estimated that some 50 per cent would be a field for national employment service of people engaged in gainful occupations. It is not possible for an employment service to go down into the capillaries of the country, and therefore there are some people who would not be touched by an employment service.

Mr. MACCRATE. In arriving at the unemployment figures, what are the sources of information that you can depend upon for accuracy?

Mr. HALL. I have referred to the work of Hornell Hart, who has made a deep study of unemployment in the United States, and I would be very glad to allow you to have that book. We can only depend upon those figures for the reason that we have never had any

comprehensive machinery for estimating unemployment. That is what we hope to get.

Now, I have spoken of what the Employment Service could do in normal times, or where there is a shortage of labor. It is obvious that an employment service is needed when we have abnormal times or industrial depression.

We had a panic in 1893; we had another semipanic in 1901 and 1902; we had a panic in 1907; and we had a panic in 1913, 1914, and 1915; that is, there was a great deal of unemployment. Now, the history was the same in each panic. There was congestion of unemployment in the cities, and all the authorities state, who have examined into the question, that at the same time there was unemployment in the cities there was a demand for labor in other parts of the country.

Now, in each of those cases we had bread lines, soup kitchens, all kinds of relief work; the cities contributed a great deal of money—I have the figures on some of them. Philadelphia contributed \$100,000; Portland, Oreg., contributed \$75,000; Cleveland contributed \$81,000; San Francisco contributed \$15,000; that was in the panic of 1914 and 1915.

Now, every time we had one of these panics we had more free employment agencies started. At the start of the war there were 96 free employment bureaus. The first employment bureau was established in 1868, so you can see how slow the growth has been. In 1908—and this is a remarkable thing—and in 1909 a committee was appointed in New York City to study unemployment. Jacob Schiff was chairman of that committee, and Dr. Devine, a recognized authority on employment, was made a member of that committee. Dr. Devine was chairman of a committee to propose a remedy, and he proposed this remedy: A national employment exchange, under private auspices, and, following that out, \$100,000 was raised, and a national employment exchange started. The fee for placing people was \$2, and in the scope of that employment service, as laid out in its charter, it is almost exactly like what we are trying to do here; and here is an important matter, this national employment exchange was indorsed by Dr. Devine as a private exchange. He now comes out in the Survey, in 1919, and states that he is in favor of a national employment service, under the Department of Labor; and that it is a great mistake to discontinue the present employment service.

Now, in 1914 and 1915—

Mr. HERSEY. You know, don't you, Mr. Hall, that when one of these professors of economics get an idea in his head that he never allows it to be changed, no matter how conditions change? William Jennings Bryan believed in free silver in 1896, and he still believes in free silver.

Mr. HALL. In answer to that, Mr. Hersey, I wish to say that some economists are wrong, but every economist is not wrong. I will say that indorsing the national employment service are the following economists: Dr. Lescotier, of the University of Wisconsin; Dr. Leiscerson, of the University of Ohio; Dr. Ely, of the University of Wisconsin; John R. Commons, of the University of Wisconsin; Charles C. Barnes, an employment expert of New York; F. C. Croxton, whom you have heard here, who has had a large experience; Dr. Devine; and R. C. Davidson, the English expert on employment.

I might say here that the United States is the only nation, the only industrial nation, that has not a national system. Norway, Sweden, the Netherlands, Belgium, Denmark, Austria, Germany, France, and Great Britain, all have employment systems, and it is a remarkable thing that their employment systems are almost exactly like the employment systems as set forth in this bill. For instance, in France, the county, or what corresponds to our county, contributes one-third, and the city contributes one-third, and the nation one-third. In Germany they connect up with the States as we do under this bill. In Canada they have exactly the same system. As a matter of fact, they came down and got the bill drawn up by Mr. Casey and Mr. Landon and Mr. Waddell Catchings, and the other members of the committee; and they took that up into Canada and enacted it into a law; and they are operating 79 offices in Canada now.

Senator PHIPPS. You quoted Dr. Devine as an expert upon employment. Let me ask you, What do you personally think of Dr. Devine's qualifications? What opportunities has he had to secure any definite information as to labor conditions and the actual employment of labor? I mean labor as a whole, not so-called day laborers.

Mr. HALL. He has made a deep study of it, I know, from reading his works. He has taken the figures on unemployment and the hiring and firing, and he has taken the various panics and has formed his opinion, just as any man engaged in research work forms his opinion.

The National Association of Employment Offices of the United States had their conferences and they advocated the establishment of a national employment system.

Those are the practical men, the men who are in the offices in the States—

Senator PHIPPS (interrupting). Dr. Devine was also a specialist in making a study of tuberculosis, was he not?

Mr. HALL. I do not know.

Senator Phipps. It was in that connection that I first knew of Dr. Devine, and not as a labor expert.

Mr. McCRATE. Do you know whether Mr. Schiff still backs this national employment proposition?

Mr. HALL. The National Employment Exchange is still in existence. Mr. Ernst told me that it was making money and that it has an office at 39 Church Street, and I do not know of anything that lends itself to this interstate or national matter as this employment service, and I should think that it would make money.

Senator PHIPPS. And if that can be made a success in the city of New York—that is, in the matter of placing men—why is that not in effect in other centers and why would not it have been instituted along similar lines without Federal aid?

Mr. HALL. I do not suppose there is anything more appropriate to answer that with than to call your attention to the vocational training. and it is a fact that we have never had vocational training on a large scale in the United States, and yet it was profitable and beneficial. Now, may I return to my argument?

Mr. HERSEY. Is there any analogy between vocational training and this United States Employment Service?

Mr. HALL. No, but you understand that he makes—

The CHAIRMAN. I think that if the members will make notes of the questions they would like to ask him that we would get along

faster. However, if the witness has no objection you may question him now.

Mr. HALL. I want to answer your question, as a matter of record. That question was, Why do not other people do this same thing, and why has it not been done in other communities? and my answer to that was that a thing which obviously is of benefit is not always done in other communities.

In 1915 there was a committee appointed in New York on unemployment, and this is the report that this mayor's committee rendered in New York City:

The coming session of Congress should provide for a national system of employment exchanges. The Federal system should act as coordinating and correlating agency to link up the city and State bureaus with each other and to supplement and standardize activities of local communities.

The report of the Massachusetts committee—and I want to say that there were committees appointed in 24 States to take care of the unemployment situation—and the Massachusetts committee on unemployment reported:

And so universal must information be, so disinterested, so authoritatively recognized, that perforce the Government must undertake the function as its own.

The mayor's committee of New York in 1917 reported:

That the Federal Government take appropriate steps to organize the unemployment markets through a Nation-wide system of public employment bureaus, assuring the complete mobilization of employment opportunities and the available labor supply.

Mr. MACCRATE. During 1914, when you say that this surplus of a labor demand existed in the various centers, did the fee-charging employment agency do a large business at that time?

Mr. HALL. Yes; and every time that we have had a panic there has been a tirade raised against the fee-charging agencies.

Mr. MACCRATE. Have you any figures to insert in the record showing what the fee-charging agencies did in 1914?

Mr. HALL. I have no placement figures, but I can show that there was a feeling aroused against them by the way they acted at those times. I will put into the record a statement made in a book by Lescoghier, quoting what his experience was with the fee-charging agencies in the panic in Minnesota. He has summarized it most admirably and I quote from his manuscript:

The lack of any standard of legal fees to be charged enables the agency to fix the fee according to conditions of the labor market, and in individual cases according to the intelligence of the men seeking a job. When many men are out of work, and employment scarce, a high fee is charged. When men are scarce and jobs plentiful they charge a low fee. Even in times when work is plentiful exorbitant fees are charged if the applicant is unfamiliar with our language, feeble-minded, intoxicated, or otherwise unable to protect his rights. The general principle is to charge "whatever the traffic will bear." And the more incompetent the worker is to protect himself the more he pays, and the more liable to be sent out to misrepresented work.

Senator WALSH. Is it possible to get any figures about the fee-charging agencies? Is not there some law which compels them to give figures?

Mr. HALL. No; there is no law compelling them to do that.

Mr. MACCRATE. But you can see whether there have been new licenses issued for the fee-charging agencies during that year, and if

the number increased it would show a greater demand. You can not show the placements, but you could show the increase in the number of licenses issued.

Mr. HALL. It is to be seen, then, that in times of depression that one of the remedies—it is not a panacea at all—is to turn the surplus labor from the congested districts into the districts that are not congested, and labor always piles up in the large industrial cities. Thousands and thousands of dollars have been spent as relief measures, and no beneficial result has come. It has been merely a temporary remedy.

Now, in time of war I think that a national employment system is vital. I am one of those who believe that there is going to be another war, and I believe that we ought to be prepared for that war. If the United States Government had had an employment service, a national employment system, with a trained personnel functioning at the outbreak of the present war, we would have saved hundreds of millions of dollars, and I will tell you why: All of the industrial plants were located practically on the eastern seaboard and around the Great Lakes, and while they were crying for men in east there was actual unemployment in the middle west. We will say that A comes to Washington and gets a war contract, and he goes back and he looks around for machinists. What does he do? He goes to the next plant, and he steals the machinists with recruiting agents, and increases their wages. Now, B comes to Washington and gets a contract, and he does the same thing. If we had had a national employment system we would have been able to move those men promptly from the points of unemployment to the points where they were needed in order to manufacture munitions.

Mr. HERSEY. And you make the contention that we need the United States Employment Service on the ground that we are going to have another war?

Mr. HALL. No; I do not make any argument on that ground; but I do point out that if we do have another war it will be very important to have a national employment system; and my personal opinion is that we are not done with war.

Mr. MACCRATE. The date when you fix that next war would have a tendency to reinforce your argument.

Mr. NOLAN. But the people who have been advocating a national employment system have not based their arguments on the ground of preparedness. They have made their arguments on the ground that it is a national need, have they not?

Mr. HALL. Yes; and it is a national need.

Mr. NOLAN. And the man out of work should not be at the mercy of the fee-charging agency and pay a fee, while at the same time the employer gets some help from the agencies free, and the particular justification was the great need of the country during times of unemployment and during times of prosperity. That is the basis—

Mr. HALL. That is the basis, and it is not a war machine at all; but it is useful, and has been proved to be useful—

Mr. NOLAN (interrupting). It is not the first time that a committee of Congress has considered the proposition of establishing a national employment service, is it?

Mr. HALL. No; and I have pointed out that it is useful as an organization of the labor market.

Now, here is another point that has been brought out that I would like to meet. One of the members asked if it would not encourage migration of labor. I say most emphatically that it will not encourage the migration of labor, but it will cut down the migration of labor. Now, heretofore, when men went looking for jobs, they did so on rumors. For instance, there is a rumor of a building operation, a road-building operation, or building trades operation—say that an operation of that kind is shut down and the men have to scatter wherever they think they will get work, and they shift about on rumors. In 1918 there was a man sitting in this room who traveled a thousand miles and used up his savings looking for a job, and this would be playing a certainty of a job against a rumor, and a great deal of the migration of labor is owing to the fact that there is no definite job to go to, but they go on mere rumor.

Mr. MACCRATE. Was that man who traveled the thousand miles a skilled laborer?

Mr. HALL. He is a bricklayer. I am putting into the record the experience of a vice president of a steel company, who has already written a letter to Senator Kenyon on this subject, who went in as a common laborer, and went from plant to plant, looking for work, and he told me that his best jobs were from the different United States Employment Services, and he was after a job in one place, walking the streets for three days, that they were hiring men within twelve miles, because he did not have access to the United States Employment Service.

Mr. HERSEY. When was this?

Mr. HALL. That was last year.

Mr. HERSEY. Last year?

Mr. HALL. He has been out now about four and a half months.

Mr. HERSEY. Has he had a job yet?

Mr. HALL. He has had 6 or 7 jobs.

Mr. HERSEY. He did not stay long in a place.

Mr. HALL. He is studying the labor conditions, and the cause of unrest, in a practical way.

Now, Mr. Chairman, in addition to that, a national employment bureau will cut down the labor turnover. The national employment service will, I hope, have a trained personnel, and I want to say right here that an examiner should be a trained man; that it is something that really is a profession today, and it is hard to get examiners in employment offices to place the men scientifically. When there is an over-supply of labor, he has to know how to solicit around for the openings, by telephoning to the employers; and he has to know how to get men when there is a shortage of labor; and he has got to know conditions in his own community; and it requires a man to be trained for that work.

A gentleman testified here the other day that he had been seven years in the employment game and that he did not know much about it then; and I believe by careful placements it will cut down the turnover.

Now, there are only three methods of getting labor. One is at the gate, and through the recruiting agents and through fee-charging agencies, and through advertisements. Now, the advertisement

brings a crowd of 150 men where there are only 25 needed. A recruiting agent is usually a nonrespector of a working contract. We instruct all of our examiners to take care of the unemployed and not to interfere with any industry by taking the men away from any other man's plant, but the fee-charging agency, their main incentive—and there are 4,000 of them operating in the United States to-day—their main incentive is to change the men as fast as possible. That is the way they make their profits, and it is to be presumed that a Federal agency or a Federal-State agency's main ambition will be to keep the men on the job.

Just a word about placements. We have repeatedly told our men that the number of placements at an office is not an index of its efficiency; that really the ideal office is the one that does not have very many placements, for the reason that the lack of placements shows that they are keeping the men on the job.

Mr. NOLAN. Do you know whether there is a practice among the fee-charging agencies anywhere to charge the employer for services rendered in furnishing employees?

Mr. HALL. I can not swear to that. I have a statement that I am putting into the record in regard to that.

Mr. MACCRATE. You have spoken about three methods of getting labor. Would you not put the fourth factor—you have spoken of three, I say—would you not put the fourth factor of getting labor the personal friendship of the men in the plant, the recommendations from them?

Mr. HALL. That is one way, but I would not put it as one of the main factors.

Mr. MACCRATE. Is it not one of the main factors in procuring labor in this country?

Mr. HALL. Not one of the main factors; no.

Now, just to sum up my argument. In the first place, it is unquestioned that a free employment bureau is an economic benefit; everybody has admitted that here; all of the witnesses have, practically. If it is an economic benefit, the slowest way to build up a comprehensive system of free employment bureaus is to leave it to the State legislatures to legislate in regard to this matter. Movements of labor do not stop at State lines, and they must be advised from an agency which takes in a number of States, and therefore a national agency is of the greatest need. It is necessary, in order to secure uniform forms of standards.

I have contended that a national employment agency is necessary in times of industrial depression, and in normal times when there is a shortage of labor; that it cuts down—it has a tendency to cut down migration of labor, and also to reduce the turnover.

Something has been said about a statistical bureau in the Department of Labor to handle this problem. That would be absolutely impracticable. Personally, I would rather see us not get anything whatever than to get a statistical bureau to handle the problem, because it could not be done. You can see that you can not get statistics as to the labor market unless you have applications of labor to know what the supply of labor is. It would be like advertising a great transcontinental line, to go across the country, but that had tracks torn up in 10 or 12 of the States. It would be like a weather bureau that had but 10 listening posts scattered throughout the

country, to get their information on the weather conditions in the United States, and I do not believe it would be at all practicable to have the bureau here and the money spent only in the District of Columbia.

Now, I want to come to my second point, and I will get through just as soon as possible. The second point was, Is there a danger that an employment service will be put to improper uses?

The contention has been made by our opponents that what the Employment Service has done in the past is an index to what it will do in the future, and therefore it is a dangerous organization. They say, first, that it has proselyted for the American Federation of Labor. Second, there were some hints as to political activity, but no witness actually testified to any political activity.

Now, as to the first charge, and the charge practically is that the Secretary of Labor and the Director General of the United States Employment Service, conspired, through the Employment Service, to unionize the workers of the country. That is the charge.

Now, let us see how the Secretary of Labor, Secretary Wilson, and Director General Densmore went about this operation. In the first place, to do that they would get in the key positions men who were of union-labor tendencies. Now, let us see what men they did get.

The first man who was appointed to carry out this conspiracy was Mr. Smythe, as assistant Director General, the head of an insurance firm in New York City.

The next man who was appointed was the director of skilled labor, Mr. Litchfield, who was formerly an executive of the Deering Harvester Co., and at one time was an officer of the Citizens' Alliance, opposed to union labor, in Peoria, Ill.

As director of personnel, Mr. Winans, director of personnel of the National Carbon Co.

Then, as director of clearance, they went to the Great Northern Railroad and got Louis Hill, president of the Great Northern Railroad, to lend to the Employment Service of the United States; S. H. E. Freund, who was assistant general counsel of the Great Northern Railroad, now assistant general counsel of the United States Railway Administration.

They appointed me as director of organization; and I am a manufacturer.

In the organization division there was Mr. Woelper, who is a banker, and he is still with us, and looks after the statistics in the organization division.

And then in the operation division we had Mr. Harold Stone, who is counsel for a bank in Syracuse; and in that same division, in one of the key positions, we had Mr. Edward Easton, recorder of Albany County, N. Y., and director for the Sanford & Champlain Railroad Co.; Mr. Robert D. McCarter, director of community, formerly of the Westinghouse Manufacturing Co. in Russia, and now an officer in a construction company.

That, Mr. Chairman and members of the committee, is the group deliberately chosen to unionize the country. Mr. Luther Stewart came in as Director of Control Division, and later he was elected president of the Employees' Union—but not when he joined the service; he was not an officer of the Employees' Union at that time, but he afterwards became president. He had nothing to do but to coordinate the correspondence that went out of the office.

Then we had in the organization Mr. Graham, in a subordinate position, who was a member of a labor union; and for two weeks we had Mr. Hugh Franey, after he came off the War Industries Board; and we had Mr. John O'Leary, who is a union man, connected with the organization in an under position. Miss Melinda Scott, who is a trades-union woman, was in the Woman's Division, along with a lot of other assistants. This is the personnel that was put in there to unionize the country.

Now, they say that that is not the way it was done; that it was done in the field. Let us look at the field.

Mr. HERSEY. Outside of those who represented the banking interests in your organizations, were there not men there who represented interests that hired men? For instance, you represented interests that hired men.

Mr. HALL. I am an employer; yes.

Mr. HERSEY. And was not every other man there representing those who hired men?

Mr. HALL. They were what I call of the employers' tendency.

Mr. HERSEY. Certainly.

Mr. HALL. They were business men, and they came there for selfish purposes, because they understood organization.

Mr. HERSEY. I want you to understand me, that I am trying to get at the facts, in order to meet certain arguments. There have been certain arguments that men were on your organization who were employers, in order that they would get a preference in the matter of employing men.

Mr. HALL. That is absolutely untrue; and I will submit figures at any time on that proposition, showing that it was impossible that any such a thing ever went on.

Now, in the bill—

The CHAIRMAN (interrupting). Just for a moment. I take it, from the list that you have named there, that all of those men, with but very few exceptions, were employers of men.

Mr. HALL. Yes, sir.

The CHAIRMAN. I would like to know whether or not the employers in this country are in favor of organizing labor—would they work for the purpose of organizing unions?

Mr. HALL. From our past experience, I would rather think that they would not. Then we will go out into the industrial States, where most of the men were employed. If they were going to organize the forces of the country, they would unionize them in the industrial States. I am going to name the Eastern States, as those are the principal States employing labor, and in the State of Maine we have Mr. Charles Harris Hichborn, president of the First Granite National Bank, of Augusta. Mr. Symonds, Federal director in Vermont, a lawyer. In New Hampshire they appointed—

Mr. HERSEY. Do you know that Mr. Hichborn has other associations and interests besides being a banker?

Mr. HALL. He operates a hotel.

Mr. HERSEY. And does he not have other things that he operates?

Mr. HALL. And he is a banker.

Mr. HERSEY. Is he not connected with a great many corporations, either as president or director?

Mr. HALL. I do not know.

Mr. NOLAN. Who recommended these men?

Mr. HALL. These men were recommended almost entirely by the State councils of national defense.

Mr. NOLAN. And appointed by the Secretary of Labor on that recommendation?

Mr. HALL. And appointed by the Secretary of Labor on that recommendation.

The argument that I am meeting is that they conspired together to unionize the country.

In Massachusetts we had William A. Gaston, president of the Shawmut National Bank, and then he was succeeded by Dean Lord, head of the Industrial School of the Boston University.

In Rhode Island we had appointed Mr. Burlingame, comptroller of Brown University. He was appointed Federal director, and he was succeeded by Capt. Webb, formerly secretary of the Chamber of Commerce of Providence.

In New Hampshire they appointed Mr. Sawyer, a merchant, and in New York they appointed Henry D. Sayer, of the Industrial Commission, who was first appointed, and he was succeeded by Henry Pruere, vice president of the American Metals Co.

Mr. MACCRATE. That is one of the Guggenheims' companies, is it not?

Mr. HALL. I do not know whether it is or not.

Mr. MACCRATE. A subsidiary company.

Mr. HALL. In Pennsylvania they appointed Mr. E. C. Felton, president of the Pennsylvania Steel Co.; he was appointed Federal Director.

In New Jersey they appointed Col. Bryant, who is an employer of labor and a builder, and who was commissioner of labor under six governors there.

In Maryland they appointed John Shaw, president of a large coal company; and I want to say, in this connection, that when I asked John Shaw to testify here, that he stated to me that he would not make a good witness for the Employment Service because his mines never used the Employment Service. I suppose that that was because they had union men and they got their men in that way. They appointed Mr. Charles Warner in Delaware, who is president of the Warner Co., lime products.

Now, gentlemen, there are the Eastern States, in which most of the war activities went on, and is it reasonable to suppose that there was a conspiracy to unionize the country through the Employment Service under those circumstances?

Now, we went further than that. We organized a method of having community labor boards, which passed upon the personnel in the offices and in the field, and we had State advisory boards, and those boards consisted of representatives of employers and of labor, and recommended by chambers of commerce and of employers' and manufacturers' associations, and various business associations.

In addition to that, we had 48 industrial officers, practically all employers, who acted between the Department of Labor and the draft boards.

It makes me think of an incident of a friend of mine who told me—he said: “It is generally stated that the Employment Service is unionizing labor.” He was counsel for a big corporation in Connecticut. I went into Connecticut and made an investigation. I found out that in the whole personnel of the Connecticut force that there were only two men there who had been connected with unions.

Mr. Bryant testified that there were only four union men in the State of New Jersey, and I have a telegram from Michigan showing that the testimony that there were 24 union examiners in Michigan, that that statement was absolutely untrue.

The CHAIRMAN. Who was that telegram sent by?

Mr. HALL. It was sent by Mr. Cunningham, the Federal director. He was recommended by the business men, by both the labor and business men, and is considered a credit to the community there, and he has not been a union man for years and years, and has been under civil service for years.

The CHAIRMAN. And he was Commissioner of Labor formerly, was he not?

Mr. HALL. Yes, sir; he was Commissioner of Labor formerly. Now, why has this impression got abroad, you may ask? I want to say, about the Manufacturers' Association—the National Association of Manufacturers—that it is an organization which has done good work; it did splendid work in the tariff, and is a good organization. and I do not know of any more able man than Mr. Emery, who represents them here. But, if you will look over the past history of legislation here, you will find, I believe, right from the very beginning that the National Association of Manufacturers has been opposed to a Department of Labor. They fought its creation; and they have been against the Department of Labor ever since. They have many associate organizations in the States; they have a splendid organization, and they believe in centralization, and they believe that when effective work is to be done, it should be done from a national viewpoint.

Mr. HERSEY. And when the manufacturers, who are the employers of labor—

Mr. HALL. But not the largest employers of labor.

Mr. HERSEY. But when they all oppose this, the manufacturers and employers of labor, how do you expect it to succeed?

Mr. HALL. They do not all oppose this. I am filing here now at this time a list of more than 800 of some of the largest manufacturers and employers in the United States who ask for a permanent Employment Service; and I have hundreds of letters from manufacturers, letters and messages from employers and manufacturers, and lots of the letters are from Massachusetts, where it has been said we have not been serving the employers, but these letters say that they have been serving them very satisfactorily.

I will now file that list of 800 or more employers.

(The list above referred to is printed in the record in full, as follows:)

The following employers of labor have indorsed, in writing, the United States Employment Service:

B. D. Avery, Crystal Springs, Miss.

Aurora, Plainfield & Joliet Railway, Joliet, Ill.

Aurora Merchants' Credit Rating Association, Aurora, Ill.

Aurora Commercial Club, Aurora, Ill.
American Can Co., Joliet, Ill.
Acme Manufacturing Co., Wilmington, N. C.
American Locomotive Co. (Cooke Works), Paterson, N. J.
Chancellor Avery, Lincoln, Nebr.
Armour Packing Co., Omaha, Nebr.
Acme Harvesting Co., Omaha, Nebr.
The Athenaem, department store, Kansas City, Mo.
Automatic Bookkeeping Reg. Co., Kansas City, Mo.
American Sash and Door Co., Kansas City, Mo.
Automatic File and Index Co., Green Bay, Wis.
Association of Commerce, Sheboygan, Wis.
Ashland Light, Power, and Railway Co., Ashland, Wis.
Ashland Cigar and Tobacco Co., Ashland, Wis.
Antigo Association of Commerce, Antigo, Wis.
Aluminum Goods Manufacturing Co. (Plant No. 1), Two Rivers, Wis.
Aluminum Goods Manufacturing Co., Two Rivers, Wis.
Atlantic & Pacific Shipping and Brok. Corp., Norfolk, Va.
Adams Baking Co. (Inc.), Norfolk, Va.
Amarillo Business Men's Association, Amarillo, Tex.
American Zinc Co., Maryville, Tenn.
American Car & Foundry Co., Memphis, Tenn.
Aberdeen Merchants Association, Aberdeen, S. D.
Aberdeen Commercial Club, Aberdeen, S. D.
S. A. Ashman & Son Co., Philadelphia, Pa.
Aberdeen Merchants' Association, Aberdeen, S. Dak.
Allith Prouty Co., Danville, Ill.
Arkansas Trust, Co., Hot Springs, Ark.
American Bauxite Co., Bauxite, Ark.
Armstrong Cork Co., Pittsburgh, Pa.
American Watchman's Time Detector, Pittsburgh, Pa.
American Railway Express Co., Scranton, Pa.
Aluminum Co. of America, Pittsburgh, Pa.
Apple Growers' Association, Hood River, Oreg.
George F. Alexander, Portland, Oreg.
Ashville Merchants' Association, Asheville, N. C.
American Agricultural Chemical Co., Wilmington, N. C.
American Can Co., Kansas City, Mo.
Aetna Life Insurance Co., Kansas City, Mo.
Advertising Club, St. Louis, Mo.
Charles E. Ashburner, city manager, Norfolk, Va.
F. P. Ande 'Mottu, real estate, Norfolk, Va.
Ames & Brownel (Inc.), Norfolk, Va.
Aberdeen Proving Ground (William A. Phillips, colonel), Baltimore, Md.
Advertising Service, Boston, Mass.
American Railway Express Co., Boston, Mass.
American Sugar Refining Co., Boston, Mass.
Atlantic Coast Hardware Co., Boston, Mass.
F. M. Bybee, merchant, Idaho Falls, Idaho.
W. A. Baker, merchant, Idaho Falls, Idaho.
Buckeye Cotton Oil Mill, Jackson, Miss.
Bridges Auto Co., Laurel, Miss.
Business Men's League, Hot Springs, Ark.
H. H. Brown Co., Texarkana, Ark.
Gov. Charles H. Brough, Little Rock, Ark.
Board of Commerce, Little Rock, Ark.
R. A. Belt, merchant, Omaha, Nebr.
Beebe & Co., contractors, Omaha, Nebr.
Aleck Beck, contractor, Omaha, Nebr.
J. E. Bliss Shoe Co., Kansas City, Mo.
The Barker Printing Co., New York, N. Y.
Bank of Pittsburgh, Pittsburgh, Pa.
Ray Bonham, Portland, Oreg.
Board of Trade, Winston-Salem, S. C.
Board of Trade, Asheville, N. C.
Thomas W. Bickett, governor, Raleigh, N. C.
Samuel Bear, sr., & Sons., Wilmington, N. C.

Bronx Board of Trade, The Bronx, N. Y.
 Brown Co. Farm Emergency Bureau, Aberdeen, S. D.
 Bridgemann-Russell Co., Sioux Falls, S. D.
 Booster Club, Sioux Falls, S. D.
 Business Men's Association, Galesburg, Ill.
 Bloomington Association of Commerce, Bloomington, Ill.
 Butler Manufacturing Co., Kansas City, Mo.
 R. L. Burke Music Co., Joplin, Mo.
 Charles Burgess (plumbing, boating), Joplin, Mo.
 Bryant & Douglas Stationery Co., Kansas City, Mo.
 Brown-Tatum-Shannon, real estate, Joplin, Mo.
 H. Brewer Cigar Co., Kansas City, Mo.
 Buckstaff Co., Oshkosh, Wis.
 Morris Brown, Marinette, Wis.
 Brandt-Dent Co., Watertown, Wis.
 Boreal Manufacturing Co., Marinette, Wis.
 Cutler-Hammer Manufacturing Co., Milwaukee, Wis.
 Bell Clothing House (Epstein Bros.), Kenosha, Wis.
 Brunelt Motor Corp., Norfolk, Va.
 G. S. Briggs & Co., Norfolk, Va.
 Bosman & Lobman Co., Norfolk, Va.
 F. P. Bill (painter, contractor), Norfolk, Va.
 W. T. Barron & Co., Norfolk, Va.
 L. M. Balts, contractor, Norfolk, Va.
 Burlington Chamber of Commerce, Burlington, Vt.
 Barre Board of Trade, Barre, Vt.
 Builders' Exchange, Memphis, Tenn.
 J. E. Brading, Johnson City, Tenn.
 Board of Trade, Columbia, Tenn.
 Benda Young Lumber Co., Jackson, Tenn.
 Beare Bros. Ice and Coal Co., Jackson, Tenn.
 John L. Burgan, superintendent State Hospital, Scranton, Pa.
 Bronze Metal Co., Meadville, Pa.
 Boland Bros., contractors, Scranton, Pa.
 Bonney Vise & Tool Works (Inc.), Allentown, Pa.
 The Barrett Co., Philadelphia, Pa. (Marcus Hook.)
 Byrne-Hammer Co., Omaha, Nebr.
 Burgess-Nash, Omaha, Nebr.
 Broadwell Roberts Coal Co., Omaha, Nebr.
 Bradford-Kennedy Lumber Co., Omaha, Nebr.
 Berquist Coal Co., Omaha, Nebr.
 Benson & Thorne Co., Omaha, Nebr.
 Berkowitz Envelope Co., Kansas City, Mo.
 C. R. Benton, passenger agent C. & A. R. R., Kansas City, Mo.
 Baker & Lockwood Manufacturing Co., Kansas City, Mo.
 Flavius L. Brooks, Detroit, Mich.
 E. F. Blank, employment manager, Buick Motor Co., Flint, Mich.
 Belden Manufacturing Co., Chicago, Ill.
 Barrett Hardware Co., Joliet, Ill.
 Baker Bros., merchants, Idaho Falls, Idaho.
 Leon Bachman (Porter Hotel), Idaho Falls, Idaho.
 Bethlehem Lumber Co., New Castle, Del.
 Ball Grain Explosives Co., Wilmington, Del.
 R. F. Breck (Walk-over Boot Shop), Joplin, Mo.
 Braeckel's (sash and door works), Joplin, Mo.
 Blue Valley Building and Loan Association, Kansas City, Mo.
 Business Men's League, Amarillo, Tex.
 J. O. Battle, Texarkana, Ark.
 Bangor Chamber of Commerce, Bangor, Me.
 Hon. Hartley C. Banks, Biddeford, Me.
 Baltimore & Ohio R. R. Co., Baltimore, Md.
 Baltimore Steam Packing Line, Baltimore, Md.
 Bethlehem Shipbuilding Co. (Ltd.), Sparrows Point, Md.
 Charles E. Bryan, Mount Pleasant Orchards, Havre de Grace, Md.
 Bay State Street Railway Co., Boston, Mass.
 Boston Elevated Railway Co., Boston, Mass.
 Boston Belting Corp., Boston, Mass.

Boston Confectionery Co., Cambridge, Mass.
 Bethlehem Shipbuilding Corp. (Ltd.), Quincy, Mass.
 Frederick Cowin Co., Joliet, Ill.
 Chicago Telephone Co., Joliet, Ill.
 Chicago, Ottawa & Peoria Railway, Joliet, Ill.
 Chicago Mill & Lumber Co., Chicago, Ill.
 Chicago & Joliet Electric Railway, Joliet, Ill.
 M. V. Carroll, secretary Chamber of Commerce, Sedalia, Mo.
 Crystal Springs Manufacturing Co., Crystal Springs, Miss.
 Consumer's Box Co., Crystal Springs, Miss.
 Chamber of Commerce of Coahoma County, Clarksdale, Miss.
 V. A. Corbett, Minot, N. Dak.
 Citizens Bank, Asheville, N. C.
 Charlotte Chamber of Commerce, Charlotte, N. C.
 Chelsea Employers' Council, New York, N. Y.
 Charles Thomas Cunningham, Rockaway Beach, N. Y.
 Colonial Ice Co., Pittsburgh, Pa.
 Children's Service Bureau, Pittsburgh, Pa.
 Chester Emergency Housing Corporation, Chester, Philadelphia, Pa.
 Chester Shipbuilding Co. (Ltd.), Chester, Pa.
 Columbia Bank & Trust Co., Columbia, Tenn.
 W. H. Coleman Co., Jackson, Tenn.
 J. B. Cheatham, Nashville, Tenn.
 Chamber of Commerce, Memphis, Tenn.
 Central Oil Mills, Jackson, Tenn.
 W. C. Cook, Sioux Falls, S. Dak.
 Carpenter Hotel, Sioux Falls, S. Dak.
 Childs Co. of Providence, Norfolk, Va.
 J. R. Callum Co., Norfolk, Va.
 Chamber of Commerce, Abilene, Tex.
 Commercial Club, Ashland, Wis.
 Commercial Association, Chippewa Falls, Wis.
 Chamber of Commerce, Marinette, Wis.
 Frank A. Cannon, Madison, Wis.
 Cornell Wood Products Co., Chippewa Falls, Wis.
 Clarkson Coal & Dock Co., Ashland, Wis.
 C. L. Christianson, Chippewa Falls, Wis.
 Chamber of Commerce, Wausau, Wis.
 Chamber of Commerce, Princeton, W. Va.
 Commercial Club, Seattle, Wash.
 Colfax Commercial Club, Colfax, Wash.
 Chamber of Commerce, Spokane, Wash.
 Chamber of Commerce, Seattle, Wash.
 Crockin Furniture Store, Norfolk, Va.
 City Gas Co., Norfolk, Va.
 Church Street Bank, Norfolk, Va.
 Chamber of Commerce, San Antonio, Tex.
 Watkins Crockett, Nashville, Tenn.
 Cranberry Furnace Co., Johnson City, Tenn.
 E. B. Craig, Nashville, Tenn.
 Chamber of Commerce, Spartansburg, S. C.
 Chamber of Commerce, Florence, S. C.
 Chamber of Commerce, Charleston, S. C.
 John W. Carr, Charleston, S. C.
 The Curtis Publishing Co., Philadelphia, Pa.
 Friedman, Paul F., sergeant major, Croyland Plant, Edgewood Arsenal,
 Ridgeway, Pa.
 Croyland Plant, Edgewood Arsenal (D. I. Chush, lieutenant), Croyland, Pa.
 The John Crompton Co., Philadelphia, Pa.
 Carnegie Library of Pittsburgh, Pittsburgh, Pa.
 Carnegie Institute of Technology, Pittsburgh, Pa.
 Chamber of Commerce, Dayton, Ohio.
 John J. Coyle, Minot, N. Dak.
 Commercial Club, Roswell, N. Mex.
 Commercial Club, Reno, Nev.
 Cudahy Packing Co., Omaha, Nebr.
 Commercial Club, Lincoln, Nebr.
 Collins Bros.' Construction Co., Omaha, Nebr.

F. H. Cole, Omaha, Nebr.
 Crescent Lead & Zinc Corporation, Kansas City, Mo.
 Commonwealth Trust Co., Kansas City, Mo.
 Chamber of Commerce, Springfield, Mo.
 Chamber of Commerce, Joplin, Mo.
 Central Coal & Coke Co., Kansas City, Mo.
 Crowley, Milner & Co., Detroit, Mich.
 Chamber of Commerce, Hutchinson, Kans.
 Chamber of Commerce, Salina, Kans.
 Chamber of Commerce, Freeport, Ill.
 Chamber of Commerce, Canton, Ill.
 Calumet Baking Powder Co., Chicago, Ill.
 Cairo Association of Commerce, Cairo, Ill.
 H. P. Cathcart, Wilmington, Del.
 Chamber of Commerce, Little Rock, Ark.
 Chamber of Commerce, Phoenix, Ariz.
 Cramton Lumber Co., Montgomery, Ala.
 Chamber of Commerce, Selma, Ala.
 M. S. Carmichael, Montgomery, Ala.
 Chicago Association of Commerce, Chicago, Ill.
 Champion Machinery Co., Joliet, Ill.
 Albert Chamberlain, Houlton, Me.
 W. H. Cutler, clerk, Eastern Forest Products Association, Bangor, Me.
 Chamber of Commerce, Tallahassee, Fla.
 Consolidated Gas, Electric Light & Power Co., Baltimore, Md.
 Car Fastener Co., Cambridge, Mass.
 Chamber of Commerce, Hutchinson, Kans.
 J. F. Christy, manager City Water and Light Plant, Jonesboro, Ark.
 Certain-teed Products Corporation, South Boston, Mass.
 John T. Connor Co., Boston, Mass.
 Cutter & Wood Supply Co., Boston, Mass.
 Duplex Manufacturing Co., Superior, Wis.
 Dolan Timber Co., Superior, Wis.
 Diamond Match Co., Oshkosh, Wis.
 E. I. Du Pont De Nemours & Co., Philadelphia, Pa.
 R. G. Dunn & Co., Pittsburgh, Pa.
 W. J. Davis, Scranton, Pa.
 Delgado Cotton Mills, Wilmington, N. C.
 Deming Chamber of Commerce, Deming, N. Mex.
 Chas. Daly (ranch), Miles City, Mont.
 Wm. B. Dunwoody, president and manager Brand-Dunwoody Flour Mills,
 Joplin, Mo.
 Everly M. Davis Chemical Laboratory, Picon, Ark.
 J. J. Donahue, superintendent of streets, Omaha, Nebr.
 P. J. Downs Motor Co., Kansas City, Mo.
 L. M. Dampeer, jr., Crystal Springs, Miss.
 Detroit Twist Drill Co., Detroit, Mich.
 Detroit Lumber Dealers' Association, Detroit, Mich.
 Decatur Malleable Iron Co., Decatur, Ill.
 Danville Malleable Iron Co., Danville, Ill.
 Danville Chamber of Commerce, Danville, Ill.
 Danville Brick Co., Danville, Ill.
 Department of labor, Butterworth-Judson Corporation, Brunswick, Ga.
 Dickie, L. R., secretary board of trade, Tampa, Fla.
 S. H. Durstein, cigar factory, Wilmington, Del.
 Dawson Construction Co., Portsmouth, Va.
 S. Davidson Co., ship chandlers, Norfolk, Va.
 Stephen C. Dorsey, Rutland, Vt.
 Dietrich Bros., Baltimore, Md.
 James J. Doherty, Charlesgate Hotel, Boston, Mass.
 Daniels Printing Co., Boston, Mass.
 Dickerman-Maurland Box Co., Boston, Mass.
 The Elmon Mercantile Co., Superior, Wis.
 F. Eggers Vaneer Seating Co., Two Rivers, Wis.
 J. M. Evans (Joplin Furniture Co.), Joplin, Mo.
 J. A. Edson (Kansas City & Southern Railway Co.), Kansas City, Mo.
 Employers' Association of Louisville, Ky. (Inc.), Louisville, Ky.

Elgin Metal Novelty Co., Elgin, Ill.
 Elgin, Joliet & Eastern Railway, Joliet, Ill.
 Electric Coal Co., Danville, Ill.
 Emich Box & Lumber Co., Norfolk, Va.
 Edwards & Deutsch Lithograph Co., Chicago, Ill.
 Francis B. Eastman, major, Infantry, camp morale officer, Camp Grant, Ill.
 James J. English, Wilmington, Del.
 R. E. Elliott & Co., Norfolk, Va.
 W. W. Evans & Co., Columbia, Tenn.
 Employers' Association, Memphis, Tenn.
 Eureka Specialty Printing Co., Scranton, Pa.
 Equitable Life Insurance Society, Pittsburgh, Pa.
 W. J. Early & Sons (Ltd.), Pittsburgh, Pa.
 Sigmund Eisner Co., Redbank, N. J.
 John Joy Edson, chairman board of directors Washington Loan & Trust Co., Washington, D. C.
 Thomas L. Evans, president Biddeford Business Men's Association, Biddeford, Me.
 C. W. Fulton, painting contractor, Norfolk, Va.
 H. O. Fulton, Columbia, Tenn.
 F. N. Fisher, president Calloway Coal Co., Memphis, Tenn.
 Mora B. Fariss, Columbia, Tenn.
 Allen Fellows, Sioux Falls, S. Dak.
 Farley-Loetscher Co., Sioux Falls, S. Dak.
 Florence Chamber of Commerce, Florence, S. C.
 Fulton Truck Co., Philadelphia, Pa.
 Fidelity & Casualty Co., Philadelphia, Pa.
 Farmers' Deposit National Bank, Pittsburgh, Pa.
 First Farmers' Bank of Minot, Minot, S. Dak.
 First National Bank, Omaha, Nebr.
 Ford Motor Co., Kansas City, Mo.
 W. C. Fenn, Dothan, Ala.
 C. J. Faulk, superintendent Dothan Coffin & Casket Co., Dothan, Ala.
 J. R. Faircloth, Dothan, Ala.
 Wm. H. Field Co., Boston, Mass.
 Griffin Wheel Co., Chicago, Ill.
 E. H. Gates, Jacksonville, Fla.
 Gawthrop & Bros. Co., Wilmington, Del.
 The Great Western Sugar Co., Fort Morgan, Colo.
 Gulf Refining Co., Pittsburgh, Pa.
 Goodman Engine & Machine Co., Pittsburgh, Pa.
 General Chemical Co., Philadelphia, Pa. (Marcus Hook).
 James A. Gray, president State Bankers' Association, Raleigh, N. C.
 R. R. Grotts, superintendent asphalt plant, Omaha, Nebr.
 Goodman Lumber Co., Marinette, Wis.
 Charles Goodman, Marinette, Wis.
 Joseph A. Gray, Nashville, Tenn.
 The John Gerber Co., Memphis, Tenn.
 Robert J. Gamble, Sioux Falls, S. Dak.
 E. M. Gleason, Texarkana, Ark.
 Globe Shipbuilding Co., Superior, Wis.
 O. W. Guy Co. (Inc.), Norfolk, Va.
 Gas Appliance Store, Norfolk, Va.
 Gardner's Bakery, Norfolk, Va.
 E. M. Gleason, Texarkana, Tex.
 W. C. Goffe (Goffe Grain Co.), Kansas City, Mo.
 Amos Gipson, president First National Bank, Joplin, Mo.
 Gulfport Chamber of Commerce, Gulfport, Miss.
 General Chemical Co., Baltimore, Md.
 Gilchrist Co., Boston, Mass.
 T. P. Grant Co., Boston, Mass.
 Edward Goldman & Co., Boston, Mass.
 Harlan-Morris Manufacturing Co., Jackson, Tenn.
 F. H. Haskell, superintendent of employment, Mason & Hanger Construction Co., Charleston, S. C.
 W. E. Holt, vice president Commercial State Bank, Miles City, Mont.
 Helena Commercial Club, Helena, Mont.

Hug Suracek Art Co., Kansas City, Mo.
 J. P. Holland, real estate, Norfolk, Va.
 Hinton Fruit Produce Co., Norfolk, Va.
 Hegeman-Harris Co. (Inc.), Norfolk, Va.
 Wm. Houk, president Conqueror Trust Co., Joplin, Mo.
 Houghton Printing Co., Joplin, Mo.
 Harry E. Heller, general agent C., B. & Q. Railroad Co., Kansas City, Mo.
 Harting Sign Co., Wilmington, Del.
 R. F. Hudson, Montgomery, Ala.
 J. Lee Holloway, Montgomery, Ala.
 C. M. Hayes Co., Detroit, Mich.
 Hammond Packing Plant, Kansas City, Mo.
 Joseph Horne Co., Pittsburgh, Pa.
 Harbison-Walker Refractories Co., Pittsburgh, Pa.
 G. Y. Harry, Portland, Oreg.
 Higgins Packing Co., Omaha, Nebr.
 Hayden Bros., Omaha, Nebr.
 Hawkeye Sales Co., Omaha, Nebr.
 Hurley Machine Co., Chicago, Ill.
 Humphrey & Sons, Joliet, Ill.
 Richard S. Hosford, administrative officer, Rock Island Arsenal, Rock Island, Ill.
 Robt. Holmes & Bros., Danville, Ill.
 Hibbard, Spencer, Bartlett Co., Chicago, Ill.
 Jas. G. Haggie & Sons, Joliet, Ill.
 Hayes-Lennon Silo Co., Joliet, Ill.
 Huyler's (confectioners), Norfolk, Va.
 F. W. Holtman, grocer, Norfolk, Va.
 Hower & Stender, Scranton, Pa.
 Habricht, Braun & Co., Chicago, Ill.
 E. W. Hawkins, superintendent Southern Cotton Oil Co., Dothan, Ala.
 J. B. Hart, superintendent Guano Co., Dothan, Ala.
 Howard Lumber Co., Superior, Wis.
 Hamilton Manufacturing Co., Two Rivers, Wis.
 Harrison Construction Co., Petersburg, Va.
 Homestead Dairy Farms, Salisbury, Md.
 Hawes & Potter, Boston, Mass.
 Highland Machine Co., Boston, Mass.
 Illinois Zinc Co., La Salle, Ill.
 Illinois Watch Case Co., Elgin, Ill.
 Ironwood & Bessemer Railway Co., Ashland, Wis.
 Robt. C. Irwin, wholesale lumber, Portsmouth, Va.
 P. W. Ioes, farmer, Norfolk, Va.
 International Shipbuilding Co., Orange, Tex.
 Ingersoll-Rand Co., Pittsburgh, Pa.
 International Harvester Co., Chicago, Ill.
 Chas. W. Jewett, Indianapolis, Ind.
 F. G. Jungblut & Co., Chicago, Ill.
 Joliet Pure Ice Co., Joliet, Ill.
 Joliet Forge Co., Joliet, Ill.
 Joliet & Eastern Railway, Joliet, Ill.
 The Juvenile Shoe Corporation, Joplin, Mo.
 Joplin Globe Publishing Co., Joplin, Mo.
 J. W. Jenkins Music Co., Kansas City, Mo.
 Jackson Board of Trade, Jackson, Miss.
 Frank Judson, Omaha, Nebr.
 Jepson Bros., Omaha, Nebr.
 R. L. Jackson, superintendent Morton-Gregson Co., Nebraska City, Nebr.
 O. T. Johnson Co., Galesburg, Ill.
 Sam S. Josephson, secretary Roundup Commercial Club, Roundup, Mont.
 Jayne Bros., farmers, Idaho Falls, Idaho.
 Harry A. Jones, manager Majestic Hotel, Hot Springs, Ark.
 Jorgensen-Blesh Co., Green Bay, Wis.
 Johnson-Hansen Co., Kenosha, Wis.
 Johnson City Mills, Johnson City, Tenn.
 Jackson Railway & Light Co., Jackson, Tenn.
 Kankakee Chamber of Commerce, Kankakee, Ill.
 J. B. Kennedy, rancher, Idaho Falls, Idaho.

N. Kelly & Son (Columbia Foundry), Pittsburgh, Pa.
Knoxville Board of Commerce, Knoxville, Tenn.
Kenosha Lumber Co., Kenosha, Wis.
Kenosha Chamber of Commerce, Kenosha, Wis.
B. H. Kilpatrick & Co., Norfolk, Va.
Kaeplin Motor Co. (Inc.), Norfolk, Va.
Kirschbaum & Co., Omaha, Nebr.
L. A. Kinney, president Nebraska Manufacturers' Association, Omaha, Nebr.
Kallispell Chamber of Commerce, Kallispell, Mont.
J. W. King (books and stationery), Joplin, Mo.
Kansas City Gas Co., Kansas City, Mo.
Kansas City Bolt & Nut Co., Kansas City, Mo.
W. D. Kahn, Kansas City, Mo.
Kelly Bros. Lumber Co., Cairo, Ill.
B. Layton Co., Quincy, Ill.
W. L. Landredth, president Landredth Machinery Co., Joplin, Mo.
Landau Spring Corporation, Norfolk, Va.
Lumbermen's Club, Memphis, Tenn.
Frederick Leak, Nashville, Tenn.
John Luppert, Williamsport, Pa.
Leonard S. Levin, Pittsburgh, Pa.
C. F. Lifsey, storekeeper, Montgomery, Ala.
W. W. Lancaster, Montgomery, Ala.
Laundrymen's Association, Superior, Wis.
W. F. Lintz, auto accessories, Norfolk, Va.
Frank Lindsay, farmer, Norfolk, Va.
Phillip Levy & Co. (Inc.), Norfolk, Va.
Livingston Commercial Club, Livingston, Mont.
Lakin Bros., Miles City, Mont.
John Linder Grocery Co., Kansas City, Mo.
W. J. J. Leffen, druggist, Joplin, Mo.
H. D. Lee Mercantile Co., Kansas City, Mo.
A. S. Lee & Sons Co. (Inc.), Norfolk, Va.
Lawson & Newton (monument dealers), Norfolk, Va.
Liberty Shipbuilding Co., Brunswick, Ga.
Lynch Construction Co. (Inc.), Wilmington, Del.
A. B. Little, Texarkana, Ark.
W. H. Laney, Texarkana, Ark.
Thos. F. Leonard Co., Scranton, Pa.
F. B. Lamvert, Minot, N. Dak.
L. Lipinsky, Bon Marche (Inc.), Wilmington, N. C.
Lea-Colt-Andressen, Omaha, Nebr.
L. N. Littlehale, president Rockland Merchants' Association, Rockland, Me.
Lockwood, Brackett & Co., Boston, Mass.
The Walter M. Lowney Co., Boston, Mass.
Lowell Bleachery, Lowell, Mass.
A. H. Montelth, chief inspector bureau of inspection, Joplin, Mo.
Michelin Tire Co., Kansas City, Mo.
Missouri Can Co., Kansas City, Mo.
Meyer-Gorgon Insurance Co., Kansas City, Mo.
O. P. Mahoney, commissioner of streets and public improvements, Joplin, Mo.
McWhiter Amos Printing Co., Kansas City, Mo.
Hugh McDoe, ex-mayor, Joplin, Mo.
Missouri Lumber Co., Hot Springs, Ark.
C. P. McIntyre, Montgomery, Ala.
W. H. McElroy, vice president Anniston National Bank, Anniston, Ala.
M. & M. Box Co., Marinette, Wis.
Milwaukee Association of Commerce, Milwaukee, Wis.
Merchants & Savings Bank, Kenosha, Wis.
Merchants & Manufacturers Association, Oshkosh, Wis.
J. W. Morrow, Portland, Oreg.
Will Moore, Portland, Oreg.
Milton A. Miller, Portland, Oreg.
John D. Mann, Portland, Oreg.
Roger Moore, president Chamber of Commerce, Wilmington, N. C.
Merchants & Manufacturers Association of Bush Terminal, Brooklyn, N. Y.
Murphy Construction Co., Omaha, Nebr.

Morris Packing Co., Omaha, Nebr.
Midwest Packing Co., Omaha, Nebr.
Frank Meyers, Omaha, Nebr.
Merchants National Bank, Omaha, Nebr.
Manhattan Oil Co., Omaha, Nebr.
Morris Warriner, painting contractor, Norfolk, Va.
Model Mills, Johnson City, Tenn.
Memphis Merchants Exchange, Memphis, Tenn.
Memphis Employers Association, Memphis, Tenn.
Memphis Chamber of Commerce, Memphis, Tenn.
Wm. G. Mathes, Johnson City, Tenn.
Mason & Hanger Co., Nashville, Tenn.
James L. McRee (Jackson, Neil & McRee), Memphis, Tenn.
Meyers & Lubakin, Norfolk, Va.
Metropolitan Life Insurance Co., Norfolk, Va.
M. N. Mathews, painting contractor, Norfolk, Va.
Markel Motors (Inc.), Norfolk, Va.
Manshed Bros., The Hub Department Store, Norfolk, Va.
J. & E. Mahoney, Norfolk, Va.
J. G. Madden, shoe store, Norfolk, Va.
Meadville Wrench Co., Meadville, Pa.
Meadville Malleable Iron Co., Meadville, Pa.
McCroskey Reamer Co., Meadville, Pa.
W. A. McCombs & Co., Pittsburgh, Pa.
Montgomery Ward & Co., Chicago, Ill.
H. H. Merrick, president Chicago Association of Commerce, Chicago, Ill.
Matthiesson & Hegeler Zinc Co., La Salle, Ill.
Machinery Specialty Co., Joliet, Ill.
Moscow Commercial Club, Moscow, Idaho.
Moscow Chamber of Commerce, Moscow, Idaho.
James McGraw Co., Edge More, Del.
Manufacturers Association, Denver, Colo.
John Morrell & Co., Sioux Falls, S. Dak.
Manchester Biscuit Co., Sioux Falls, S. Dak.
Mason & Hanger Contracting Co., Charleston, S. C.
J. Elmore Martin, Charleston, S. C.
J. Rutledge McGhee (South Carolina Cotton Association), Columbia, S. C.
Rodney Morrison, jr., assistant superintendent of employment, Hog Island, Pa.
Miles City Chamber of Commerce, Miles City, Mont.
Morris Packing Plant, Kansas City, Mo.
Mississippi Soft Pine Co., Canton, Miss.
J. W. McCorkle, Meridian, Miss.
Munroe Bros., real estate and loans, Joliet, Ill.
Morris Bros. Shoe Co., Quincy, Ill.
Moore Motor Vehicle Co., Danville, Ill.
George L. Moore, president Moore Motor Vehicle Co., Danville, Ill.
Miller Lock Co., Frankford, Philadelphia, Pa.
Midvale Steel & Ordnance Co., Nicetown, Philadelphia, Pa.
McCormick & Co., Baltimore, Md.
McElwain, Hutchinson & Winch, Boston, Mass.
McKenzie Engraving Co., Boston, Mass.
Minneapolis Civic & Commerce Association, Minneapolis, Minn.
The Maryland Shipbuilding Co., Baltimore, Md.
H. H. Mawhinney Co., Lowell, Mass.
North Wisconsin Dental Association, Superior, Wis.
Northern Foundry Co., Marinette, Wis.
C. R. Norgord, Madison, Wis.
The Nunnally Co., Norfolk, Va.
Norfolk Tire & Rubber Co., Norfolk, Va.
Norfolk Savings & Loan Corporation, Norfolk, Va.
The Norfolk National Bank, Norfolk, Va.
Norfolk Knitting Mills Corporation, Norfolk, Va.
New York Clothing Co., Norfolk, Va.
Wm. J. Newton, florist, Norfolk, Va.
National Biscuit Co., Norfolk, Va.
Northern States Power Co., Sioux Falls, S. Dak.
Niles-Bement-Pond Co., Philadelphia, Pa.
National Marine Engine Works (Inc.), Scranton, Pa.

National Association of Corporation Schools, Pittsburgh, Pa.
 North Carolina Lumber Co., Wilmington, N. C.
 Navassa Guano Co., Wilmington, N. C.
 Niagara County Farm Bureau, Lockport, N. Y.
 National Farmers Association, Kansas City, Mo.
 Natchez Chamber of Commerce, Natchez, Miss.
 National Match Co., Joliet, Ill.
 National Carton Co., Joliet, Ill.
 H. A. Norris (Friends School), Wilmington, Del.
 F. B. Norman Co., Wilmington, Del.
 National Fireproofing Co., Revere, Mass.
 New England Iron Works Co., Boston, Mass.
 Nelson Blower & Furnace Co., Boston, Mass.
 North Reading State Sanatorium, North Wilmington, Mass.
 Newton Manufacturing Co., Lowell, Mass.
 D. C. Owen, vice president Iron Exchange Bank, Hurley, Wis.
 Odendhal-Monks Corporation, Norfolk, Va.
 Orchard & Wilhelm (Mr. Wilhelm), Omaha, Nebr.
 Omaha Structural Steel Co., Omaha, Nebr.
 Omaha National Bank, Omaha, Nebr.
 Omaha Hotel Men's Association, Omaha, Nebr.
 Omaha-Council Bluffs Street Railway Co., Omaha, Nebr.
 Omaha Cold Storage Co., Omaha, Nebr.
 Pat O'Day Packing Co., Omaha, Nebr.
 Ottawa Chamber of Commerce, Ottawa, Ill.
 The Oliver Typewriter Co., Woodstock, Ill.
 Pittsburgh & Ashland Coal & Dock Co., Ashland, Wis.
 Pine Ihrig Machine Co., Oshkosh, Wis.
 Porter Bros., contractors, Norfolk, Va.
 Pocomoke Guano Co., Norfolk, Va.
 H. W. Parks, hotel, restaurant, Norfolk, Va.
 Rodney Pierce Optical Co., Pittsburgh, Pa.
 Production, Philadelphia district ordnance production office, Philadelphia, Pa.
 Proctor & Gamble Distributing Co., Pittsburgh, Pa.
 Pittsburgh-Erie Saw Co., Pittsburgh, Pa.
 Pennsylvania Trojan Powder Co., Allentown, Pa.
 Pennsylvania Laundry Co., Philadelphia, Pa.
 Pennsylvania College for Women, Pittsburgh, Pa.
 Geo. F. Pawling & Co., Philadelphia, Pa.
 John Y. Parke Co., Philadelphia, Pa.
 The Wm. H. Page Boiler Co., Meadville, Pa.
 H. Piltingerud, Leads, N. Dak.
 Purity Cross (Inc.), Orange, N. J.
 Postal Telegraph Co., Omaha, Nebr.
 Platner Lumber Co., Omaha, Nebr.
 M. C. Peters Milling Co., Omaha, Nebr.
 Paxton-Gallagher Co., Omaha, Nebr.
 Park County Chamber of Commerce, Livingston, Mont.
 J. Frank Potts, manager Christman's Dry Goods Co., Joplin, Mo.
 Pioneer Tire & Rubber Co., Kansas City, Mo.
 Joseph Pile, real estate, Joplin, Mo.
 Peycke Commission Co., Kansas City, Mo.
 Purlington Paving Brick Co., Galesburg, Ill.
 Public Service Co. of Northern Illinois, Joliet, Ill.
 William E. Pratt Manufacturing Co., Joliet, Ill.
 Phoenix Horse Shoe Co., Joliet, Ill.
 Paramount Knitting Co., Kankakee, Ill.
 Edward R. Pusey Co., Wilmington, Del.
 A. E. Pace, Dothan, Ala.
 De Forest H. Perkins, exchange secretary, Chamber of Commerce. Portland, Me.
 Poole Engineering & Machine Co., Woodberry, Baltimore, Md.
 Portland Chamber of Commerce, Portland, Oreg.
 S. J. Parkhill & Co., Boston, Mass.
 Quackenbush Warehouse Co., Scranton, Pa.
 Quaker Oats Co., Joliet, Ill.
 M. R. Rosenberry, justice supreme court, Madison, Wis.

Retail Merchants' Association, Superior, Wis.
 Relckhoff Box & Lumber Co., Superior, Wis.
 Radford Wright Co., Oshkosh, Wis.
 Royal Silver Manufacturing Co. (Inc.), Norfolk, Va.
 F. A. Roetheke (Inc.), Norfolk, Va.
 Raymond Concrete File Co., New York, N. Y., and Norfolk, Va.
 Rutland Business Men's Association, Rutland, Me.
 Weekly Ruth, Shelbyville, Tenn.
 Retail Merchants' Association, Columbia, Tenn.
 Raymer Bros., Pittsburgh, Pa.
 G. S. Relshus, Minot, N. Dak.
 Retail Merchants' Association, Winston-Salem, N. C.
 Raleigh Chamber of Commerce, Raleigh, N. C.
 L. B. Rivers, storekeeper, Chicago, Milwaukee & St. Paul Railway, Miles City, Mont.
 Rowan Truck & Tractor Co., Kansas City, Mo.
 J. E. Rockwell, Kansas City, Kaw Valley & Western Railway Co., Kansas City, Mo.
 Richards & Conover Hardware Co., Kansas City, Mo.
 C. F. Ralston, Joplin, Mo.
 Reid Brokerage Co., Port Huron, Mich.
 W. B. Richards, Geneva, Ill.
 Harry Rhule, merchant, Idaho Falls, Idaho.
 Leon H. Ryan, Wilmington, Del.
 William G. Robelen, Wilmington, Del.
 D. Hayes Robelen, Wilmington, Del.
 R. P. Robbins, managing editor Daily News, Little Rock, Ark.
 John A. Riggs, editor New Era, Hot Springs, Ark.
 W. J. Renfro, Dothan, Ala.
 T. A. Reid, superintendent Virginia-Carolina Chemical Co., Dothan, Ala.
 Riverside Boiler Works (Inc.), Cambridgeport, Mass.
 Rapid Addressing Machine Co., Boston, Mass.
 Superior Shipbuilding Co., Superior, Wis.
 Superior Retail Grocers' Protective Association, Superior, Wis.
 Superior Progressive Association, Superior, Wis.
 Superior Commercial Club, Superior, Wis.
 Superior Box Co., Superior, Wis.
 South Superior Commercial Club, Superior, Wis.
 Scott-Taylor Co., Ashland, Wis.
 Schmit Trunk & Bag Co., Oshkosh, Wis.
 Sawyer-Goodman Co., Marinette, Wis.
 A. N. Sanborn, Ashland, Wis.
 Agricultural Bureau, Spokane Chamber of Commerce, Spokane, Wis.
 Swiss Laundry, Norfolk, Va.
 James Stewart & Co. (Inc.), contractors, New York, N. Y., and Norfolk, Va.
 John E. Springer, contractor and builder, Norfolk, Va.
 E. E. Springer Co., Norfolk, Va.
 Hotel Southland, Norfolk, Va.
 Sinns restaurant, Norfolk, Va.
 St. Johnsbury Commercial Club, St. Johnsbury, Vt.
 Summers Parrett Hardware Co., Johnson City, Tenn.
 Southern Engine & Boiler Works, Jackson, Tenn.
 B. M. Slack, Johnson City, Tenn.
 South Dakota Provision Co., Sioux Falls, S. Dak.
 Sioux Falls Commercial Club, Sioux Falls, S. Dak.
 Irving Southworth, Columbia, S. C.
 Spang, Chalfont & Co., Pittsburgh, Pa.
 South Side Hospital, Pittsburgh, Pa.
 Scranton Stove Works, Scranton, Pa.
 Scranton Pump Co., Scranton, Pa.
 Scott Paper Co., Chester-Philadelphia, Pa.
 Savage Arms Corporation, Philadelphia, Pa.
 Samter Bros. Co., Scranton, Pa.
 St. Gabriel's Church, Hazleton, Pa.
 C. J. Smith, Portland, Oreg.
 A. J. Sylvester, Mandan, N. Dak.
 J. H. Scofield, Minot, N. Dak.

Swift Fertilizer Works, Wilmington, N. C.
 Standard Oil Co., Omaha, Nebr.
 M. E. Smith Co., Omaha, Nebr.
 Swift Packing Co., Kansas City, Mo.
 G. W. Straughtman, president board of public works, St. Joseph, Mo.
 Southwestern Sash & Door Co., Joplin, Mo.
 Smith & Sons Manufacturing Co., Kansas City, Mo.
 St. Paul Association of Commerce, St. Paul, Minn.
 The Studebaker Corporation, Detroit, Mich.
 A. L. Sponsler, secretary Kansas State Fair, Hutchinson, Kans.
 The Southwestern Engineering Co., Hutchinson, Kans.
 Symons Clamp Co., Chicago, Ill.
 Sweet, Orr & Co., Joliet, Ill.
 Stewart-Warner Speedometer Co., Chicago, Ill.
 Star-Peerless Wall Paper Mill, Joliet, Ill.
 A. E. Staley Manufacturing Co., Decatur, Ill.
 Stahl Urban Overall Factory, Danville, Ill.
 Spiegel, May, Stern Co., Chicago, Ill.
 South Chicago Shipbuilding Co., Chicago, Ill.
 Sears-Roebuck Co., Chicago, Ill.
 Sawyer-Gorgans Co., Joliet, Ill.
 G. S. Samsel, merchant, Idaho Falls, Idaho.
 Emilie Spina, Wilmington, Del.
 F. C. Stearns Hardware Co., Hot Springs, Ark.
 State Association of Cattle & Horse Growers, Boise, Idaho.
 H. H. Smith, superintendent Grasselli Chemical Co., Dothan, Ala.
 Chas. P. Smith, Gadsden, Ala.
 John Sanders, president Young-Sanders Co., Dothan, Ala.
 John Calvin Stevens, Portland, Me.
 Sutton & Corson Co., Aberdeen, Md.
 E. P. Sanderson Co., Cambridge, Mass.
 Suffolk Knitting Co., East Boston, Mass.
 Saco-Lowell Shops, Lowell, Mass.
 O. W. Tapley, vice president Union Trust Co., Ellsworth, Me.
 Col. Turner, Madison, Wis.
 Arthur Taylor, Rhinelander, Wis.
 Tyle Motor Service Co., Norfolk, Va.
 Trust Company of Norfolk, Norfolk, Va.
 Robt. B. Tunstall, Norfolk Va.
 Troy & Monticello Laundry Co., Norfolk, Va.
 M. D. Tilson, Texarkana, Tex.
 S. C. Toff & Co., Memphis, Tenn.
 J. W. Thomas, Columbia, Tenn.
 A. R. Taylor Co., Memphis, Tenn.
 O. C. Turner, secretary Chamber of Commerce, Watertown, S. Dak.
 D. B. Traxler, Greenville, S. C.
 Tide Water Power Co., Wilmington, N. C.
 Walker Taylor, Wilmington, N. C.
 J. A. Taylor, Wilmington, N. C.
 L. H. Triester, Lincoln, Nebr.
 Townley Hardware & Metal Co., Kansas City, Mo.
 Talbot Reel Manufacturing Co., Kansas City, Mo.
 John A. Thompson, Quincy, Ill.
 F. O. Thompson, Harvard, Ill.
 Texas Oil Co., Joliet, Ill.
 Truax Electric Co. (Inc.), Wilmington, Del.
 J. M. Tennison, Texarkana, Ark.
 Chas. E. Taylor, Little Rock, Ark.
 Jack Thorington, Montgomery, Ala.
 Trimont Manufacturing Co., Roxbury, Mass.
 Chas. H. Tenney & Co., Boston, Mass.
 Travelers' Aid Society of Boston, Boston, Mass.
 Universal Motor Co., Oshkosh, Wis.
 United Cigar Stores Co., Norfolk, Va.
 Union Seed & Fertilizer Co., Jackson, Tenn.
 Urban League, Pittsburgh, Pa.
 United States Steel & Carnegie Pension Fund, Pittsburgh, Pa.

The Union News Co., Philadelphia, Pa.
Updike Grain Co., Omaha, Nebr.
United States Rubber Co., Omaha, Nebr.
Union Stock Yards Co., Omaha, Nebr.
Union Pacific Railroad Co., Omaha, Nebr.
United States Engineering Co., Kansas City, Mo.
Union Wrapping Co., Joliet, Ill.
United Motors Service Co., Boston, Mass.
Virginia Fruit Juice Co. (Inc.), Norfolk, Va.
B. F. Vandervoort, Suffolk, Va.
James B. Vetch, Sioux Falls, S. Dak.
Vanadium Alloys Steel Co., Pittsburgh, Pa.
P. J. Van Geyt, Wilmington, N. C.
Van Vleck & Co., Kansas City, Mo.
Geo. W. Wrigle, Madison, Wis.
Wisconsin Manufacturers' Association, Milwaukee, Wis.
Whitney Brothers Co., Superior, Wis.
Wenatchee Commercial Club, Wenatchee Wis.
C. E. Wright & Co., Norfolk, Va.
Woodhouse Electric Co. (Inc.), Norfolk, Va.
Withy's Transfer Co. (Inc.), Norfolk, Va.
Lieut. C. T. Wilson, C. E. C., U. S. N., Norfolk, Va.
Walworth Manufacturing Co., Boston, Mass.
Samuel Ward Manufacturing Co., Boston, Mass.
N. S. Wilson Co., Boston, Mass.
Western Union Telegraph Co., Boston, Mass.
Watertown Arsenal, Watertown, Mass.
Waterhead Mills, Lowell, Mass.
Wilson & Co., Norfolk, Va.
White Hardware Co., Norfolk, Va.
Wilson Co., Sioux Falls, S. Dak.
Watertown Chamber of Commerce, Watertown, S. Dak.
Whiting-Patterson Co., Philadelphia, Pa.
White-Haines Optical Co., Pittsburgh, Pa.
Wilmington Truckers Association, Wilmington, N. C.
Waccamaw Lumber Co., Wilmington, N. C.
Wright-Wilhelmy Co., Omaha, Nebr.
T. B. Weir, Helena, Mont.
Mr. Wonderloch, Commerce Club, St. Joseph, Mo.
Woelf Bros. Clothing Co., Kansas City, Mo.
J. K. Wingert, Joplin, Mo.
John C. Whitsell, St. Louis, Mo.
Wheatley Bros. Machine Co., Kansas City, Mo.
H. M. Wood, Hazlehurst, Miss.
T. Webber Wilson, Laurel, Miss.
Walter H. Wood, Cairo, Ill.
Wilson & Sons, Joliet, Ill.
Dixon C. Williams, Chicago, Ill.
George R. Whitten, Granite City, Ill.
Western United Gas & Electric Co., Joliet, Ill.
Western United Gas & Electric Co., Elgin, Ill.
Western Electric Co., Chicago, Ill.
Western Brick Co., Danville, Ill.
Werden-Buck, Joliet, Ill.
Walsh Real Estate Co., Joliet, Ill.
Wool Growers' Association, Boise, Idaho.
Dow Williams, Idaho Falls, Idaho.

J. R. Wells, South Jacksonville, Fla.
 Wilmington Leather Co., Wilmington, Del.
 Stewart-Willey Co. (Inc.), Wilmington, Del.
 Charles Werner, Wilmington, Del.
 L. C. Wood, Texarkana, Ark.
 A. S. Watlington, Texarkana, Ark.
 G. B. Wods, president Rockland & Rockport Line Co., Rockland, Me.
 Wilmington Chamber of Commerce, Wilmington, N. C.
 Yakima Commercial Club, Yakima, Wash.
 R. H. Yancey, Nashville, Tenn.
 Young Men's Christian Association, Pittsburgh, Pa.
 Young Women's Christian Association, Pittsburgh, Pa.
 Young Men's Christian Association, Vicksburg, Miss.
 William B. Young, Jacksonville, Fla.
 J. R. Young, Dothan, Ala.

Mr. HALL. In answer to the testimony of Mr. Dale, of Massachusetts, and Mr. White, of Massachusetts, that the employers did not find the services satisfactory in Massachusetts, these letters were obtained with the consent of the chairman of the Committee on Education and Labor, and I wish to submit them for the record at this point.

(The letters above referred to are printed in full in the record as follows:)

There seems to be a question as to the advisability of continuing the National Employment Service.

The National Employment Bureau established during the war has done a great service for the two plants here at Quincy and at Squantum, and in my mind this bureau should be continued.

S. W. WAKEMAN, *General Manager*,
 BETHLEHEM SHIPBUILDING CORPORATION (LTD.),
 FORE RIVER PLANT, Quincy, Mass.

Without information as to the cost of operating the National Employment Bureau, we are inclined to favor the continuance, at least for a time necessary to demonstrate its value under post-war conditions.

On the principle that labor lost is an economic waste, we feel that any effort on the part of the National Government that will promote general employment, if handled efficiently and economically, is to be advised.

CUTTER & WOOD SUPPLY Co.,
 W. S. Wood, *President*,
 Boston, Mass.

We should like to see the National Employment Bureau of Labor continued. It should be an advantage both to the employer and employee.

HIGHLAND MACHINE Co.,
 BENJAMIN F. DE COSTA,
 President, Boston, Mass.

I am highly in favor of your continuing your Employment Bureau, as we find it convenient in securing workers for various branches of our line.

EDWARD GOLDMAN & Co.,
 EDWARD GOLDMAN,
 Boston, Mass.

We are writing this letter to express our appreciation of the service and efficiency that were rendered to us by the local Federal Employment Bureau during the war period.

When we were speeding production in ammunition help was sorely needed until the Federal Employment Agency was established, but through this channel we were able to obtain the help we needed from the gentleman in charge, Mr. C. F. Cronin, who proved to be a very efficient director. This Employment Bureau furnished us with both male and female help at any time we called upon them. We consider this bureau as a necessary adjunct to the industrial conditions applying in Lowell.

NEWTON MANUFACTURING Co.,
J. K. DOUGLAS,
Employment Agent, Lowell, Mass.

We believe that the United States Employment Service in Lowell, of which Mr. C. F. Cronin has charge, has been of great service to our concern and also a great help to people seeking employment.

We hope you will do all in your power to have your committee see that this Employment Service is kept in force to continue the good work it has been doing.

H. H. MAWHINNEY Co.,
Federal Plant.
D. W. SHANAHAN,
Superintendent, Lowell, Mass.

We have secured help from the office of the United States Employment Service during times when help was very scarce. They made a great effort to furnish us with persons whom we needed so much in order that we might continue our business.

Without this necessary help and cooperation, we should have been greatly inconvenienced by lack of help.

We should like to feel that we are free to call on them for assistance in the future, as we have done in the past, and are still doing.

BOSTON CONFECTIONERY Co.,
ANNE A. DOYLE,
Employment Manager, Cambridge, Mass.

We are pleased to submit our indorsement on this United States Employment Service and trust you find it possible to continue such service to Massachusetts employers.

The writer has received very unsatisfactory service from a number of local employment agencies in Boston. They do not seem to care whether they furnish you the class of help requested, and invariably try to force inexperienced typists and stenographers on you after specifically requesting a grade of high-class help in these branches.

Trust this letter will help in the continuance of the Federal Labor Service for Boston and assuring you of the cooperation of this office in any way possible to make same a success, we are,

RAPID ADDRESSING MACHINE Co.,
C. R. MORRIS,
Northeastern Manager, Boston, Mass.

We have through your assistance secured service of two or three individuals who have proven to be very satisfactory employees.

The results which we have obtained from this service we think are as good. If not better, than some of the other sources to which we have applied for employees. However, if your agency should be discontinued we will, of course, be able through other sources to get individuals from time to time to enter our employ, but we do not hesitate to say that we think the service such as you have maintained will be of valuable assistance in this community.

CHARLES H. TENNEY & Co.,
C. N. ALEXANDER,
Office Manager, Boston, Mass.

The Travelers Aid Society fully appreciates the need of a free employment bureau.

We have a number of unskilled people coming to the city who really can not afford to pay an employment agency fee.

TRAVELERS AID SOCIETY OF BOSTON,
OLIVE N. JACQUES,
General Secretary, Boston, Mass.

We wish to state that we have found the Government Employment Bureau, under the supervision of Mr. C. F. Cronin, examiner in charge, a great benefit to us in securing help. We are very much in favor of the continuance of this bureau and would be very much pleased to hear that your committee recommend it so, and while we have been assisted in the past in obtaining both skilled and unskilled help from this bureau we would probably be glad to call upon it in the future as we have in the past.

Trusting this will meet with your approval, we beg to remain,

SACO-LOWELL SHOPS, TEXTILE MACHINERY,
HENRY F. DOBAN,
Employment Manager, Lowell, Mass.

We wish to state that we have found the Government Employment Bureau under the supervision of the examiner in charge, Mr. C. F. Cronin, a great benefit to us in securing help. We are very much in favor of the continuance of this bureau and would be pleased to hear of the discontinuance of such places as employment bureaus who are in the business for what profit they can make by assignment of the first week's wages of any person for whom they secure work.

We think this should be handled by the Government, thereby giving its citizens a fair chance.

LOWELL BLEACHERY,
HOWARD L. WHITELEY,
Agent, Lowell, Mass.

The National Employment Service has been of good assistance to us, the Lowell Employment Agency having rendered more efficient and prompt assistance than any other agency in surrounding cities, including Boston.

NORTH READING STATE SANATORIUM,
CARL C. MACCORISON,
Superintendent, North Wilmington, Mass.

We should like to add our testimony as to the value of the National Employment Bureau to that of others. We have relied upon it in the past and, in fact, are resorting to it to-day.

DICKERMAN-MAUBLAND BOX CO.,
Boston, Mass.

As one who has availed himself to a considerable extent of the service supplied by the United States Employment Office at 53 Canal Street, in this city, I am convinced that this service should be continued in the interest of both men seeking employment and concerns needing workers. I have always been given courteous and valuable assistance at this bureau in getting retail salesmen or clerks, and I should regret to see its discontinuance.

The fact that there are no commissions or fees makes this service disinterested in the proper sense. During the war industries needed workers; now the returning soldiers and sailors and workers in war industries need jobs. For this reason I believe the service is likely to be of real value for some time yet.

JOHN T. CONNOR CO.,
Importers and Wholesale Grocers, Boston, Mass.

The United States Employment Service has been very valuable to this office in furnishing applicants for initial positions. The withdrawal of the service would handicap our employment work by cutting off one of the main sources of applicants.

We regard the improvement in employment methods brought about through this national service as one of the benefits derived from the war. It should be retained, like any other advance in business methods evolved to meet the pressure of war conditions, for greater efficiency in time of peace.

We therefore beg to recommend that sufficient funds be appropriated to continue the national employment service as at present conducted.

WESTERN UNION TELEGRAPH Co.,
J. B. REX, *Chief Operator, Boston, Mass.*

The writer wishes to say that the United States Employment Service is a good thing, inasmuch as it forms a central employment office, and anyone who is in need of employment knows where to go. It is therefore a great timesaver on his part, and at the same time he gains valuable information, and in most cases assistance in securing work.

In so far as this corporation is concerned, we shall always be ready to notify the bureau when we are in need of help.

WATERHEAD MILLS (INC.),
Manufacturers of Corduroys, Lowell, Mass.

I believe the employment bureau on Canal Street should be continued, as it is of great benefit to the employers and those seeking employment. This office has my hearty indorsement for the excellent work done since it was established.

R. H. STACKHOUSE,
Employment Manager Watertown Arsenal, Watertown, Mass.

The matter of securing competent help at times is a very serious one to the employer.

We understand that the National Employment Bureau, which was established during the war, has done very good work in getting the employee and employer in touch with one another.

In our opinion there is a great need for a permanent bureau of this character, where those unemployed can be listed and employers can secure help when required, both unskilled and skilled workers, as well as professional and technical trained people.

It is hoped that your committee will vote that this bureau be continued permanently.

ATLANTIC COAST HARDWARE Co.,
Boston, Mass.

We feel that a national employment bureau is a good thing and that it should be kept in operation at all times.

It does away with the employee paying a week's wages—that very often occurs—to employment agencies, and we sincerely hope that the free employment service will continue to be operated by the Government.

DANIELS PRINTING Co.,
GEORGE B. DANIELS, *Boston, Mass.*

Speaking from experience, we think that the Federal Government in cooperation with the State government should maintain public employment bureaus. In the past we have received good service through the employment bureau for men, at 53 Canal Street, and the bureau for women, on Federal Street, United States agencies. The Federal Street bureau, however, has been closed recently.

In this State private employment bureaus charge a week's wage for every position got by an individual. This, we think, is too large a fee for the services rendered.

We believe, however, that the United States Employment Bureaus should charge a nominal fee of \$1 for each job, the employer paying half. This small fee would tend to make an applicant think twice before accepting a job, or leaving after a day or two of employment. Also, a great many people do not appreciate what they get for nothing, and the payment of a small amount may offset this to some degree.

BOSTON BELTING CORPORATION,
A. L. DEMPSEY,
Employment and Welfare Manager, Boston, Mass.

We understand that there is some talk of discontinuing the United States Employment Service. We think that this would be a great mistake. We have been quite successful in getting help through this agency, and we think that it is a decided benefit to both the employer and employee. In the commercial employment agencies an employee is obliged to forfeit one week's pay as a commission for securing the position, whereas the Government service is free.

We think this is decided ly as it should be, and we trust that this service will not be discontinued.

T. P. GRANT CO.,
Heavy Cream and Condensed Milk, Boston, Mass.

Of course, you were well aware of the shortage of labor experienced in New England, particularly in the Boston district, during the year of 1918, on account of the war activities. Our condition on the Boston Elevated System during last summer was particularly acute, but fortunately we were able to place a representative of our employment bureau at one of your offices, at No. 53 Canal Street, under Mr. W. J. Burke, examiner in charge.

During a period of 12 months our representative was able to place approximately 1,900 applicants for positions on our train and car service, as well as in our various shops. Our representative was enthusiastic in his praise of the treatment accorded him by the officials of your department, particularly as to the many kindnesses and extreme patience and courtesy extended to him by Mr. Burke, the examiner in charge, who devoted much of his valuable time in assisting our representative in many ways.

The fact of our being able to help fill up our depleted ranks in such an emergency speaks well for your organization, as well as assisting us out of a very serious condition of a labor shortage. I am glad of the opportunity to extend to you, as the head of this department, the grateful thanks of our company.

BOSTON ELEVATED RAILWAY CO.,
A. J. GUYON,
Supervisor of Employment, Boston, Mass.

I understand there is a possibility that both Houses of Congress will not pass the necessary appropriations for the support and maintenance of the Federal employment agencies throughout the country.

As a representative of this house in charge of employment management during the past year, and having received courteous, prompt, and efficient service from the Boston Federal employment agency, located at 123 Federal Street, I would respectfully ask, if you can possibly see your way clear to do it, that you support such measures for the maintenance of these bureaus as may come before the body of which you are a representative member.

McELWAIN, HUTCHINSON & WINCH,
Boston, Mass.

In view of the fact that your department cooperated with us in every way and rendered us excellent service during the rush on Government contracts, we

take this opportunity to congratulate your department. We have in mind the factory department of your Boston office at 128 Federal Street, Boston, under direction of Mrs. Elizabeth Stone.

During the period from June until November 11, out of approximately 2,000 girls employed by us, we are glad to say that from 1,200 to 1,800 were sent to us through Mrs. Stone.

Considering the many more sent us through your department that were not so successful in being employed by us, we feel that it is our duty to call to your attention the result of the fruitful efforts and the good work done by the representatives of your department in our district. At no time did the want of female help slow up our production, as we always received immediate replies to our requests from your department.

We again wish to congratulate your department and appreciate what it has done for the manufacturers of this district, notwithstanding the fact that it is a godsend to the working people also, and if this service was discontinued, we could not explain how badly they would miss it.

CAR FASTENER CO.,
GEORGE L. BOWLES,

Employment Manager, Cambridge, Mass.

During the period of the war, and after, we have had the pleasure of dealing with the National Employment Bureau in the matter of supplying us with labor.

We think it is of inestimable benefit to both employers and employees.

We have had the satisfaction of dealing with intelligent people in the bureau, and would greatly deplore the discontinuance of the service.

NATIONAL FIREPROOFING CO.,

B. C. TAYLOR, *Superintendent, Revere, Mass.*

With reference to a report that is being circulated regarding the discontinuance of the Government employment agencies, would say that we wish to enter a word of protest, as we feel by so doing, that one of the best mediums for obtaining help in the most satisfactory way, both regarding the employer and employee, will be removed. We have had better service from the Government agencies here in Boston than all of the other agencies combined, and as there is no charge for the Government service, naturally there is more of a cooperative spirit between the agencies and the employer, as we feel that the regular agencies charge too much for procuring positions.

We have discussed the matter with a number of business men here in Boston and we all feel that it would be a deprivation to close up the Government agencies.

We would appreciate your doing all you can to have them continued.

McKENZIE ENGRAVING CO.,
178 Congress Street, Boston, Mass.

In view of the proposed closing of the United States Employment Service, I beg to bring before you our experiences with these offices during the past year and a half.

Its existence has served as a centralized clearance place for workmen seeking employment, and has been to his advantage not only as a convenience but as a protection against exploitation.

It has been a mental and a financial benefit to the working man, and has also served as a good source of labor supply for our industry.

The office and its attaches have a reputation among employees and employers of courtesy and reliability.

The discontinuance of this service will be a distinct loss to the community, to the working people and to industry.

AMERICAN SUGAR REFINING CO.,
JOHN C. LUBY,
Secretary of Employment, Boston, Mass.

It has come to the attention of the writer that the Government intends to discontinue the United States Employment Service offices. It would seem as though this were inadvisable, as these offices have served a good purpose with good results, and with present conditions should be maintained.

In our business we made use of these offices and always with very good results, and believe that many other employers had the same experience.

We hope that this matter will have your interest and attention.

HOWES & POTTER, *Boston, Mass.*

Hearing that there is a possibility of the discontinuance of the Employment Service, which has been conducted at Federal Street for a year or more, I am writing to say that as superintendent of the employment at the Walworth Manufacturing Co., I have found this service especially valuable and have secured splendid results, specially in the women's division, which had more or less pioneer work to do.

Mrs. Stone, Miss Elbery, and Miss Early have done, and are doing, splendid work. If anything can be done to encourage the continuation of this service, particularly this woman's division, we shall greatly appreciate it.

WALWORTH MANUFACTURING CO.,
F. M. MARSH, *Boston, Mass.*

It has come to my attention that the administration is considering abolishing the United States Employment Service that it inaugurated some time ago.

I have had experience with both the men's and the women's divisions in the city of Boston.

Through the men's division we have employed several returned soldiers and sailors, and the service rendered by this division was very prompt and satisfactory. I have had more experience in the women's division in regard to both the office and the factory. I have often specified the types of employees desired and have very rarely had time wasted by having to talk to applicants other than the type which I have requested. I find that in the United States Employment Service attention has been paid to requests for particular types of employees to a much greater extent than in other agencies.

If this service is consistent with the wish of the Department of Labor to assist the manufacturers throughout the country, I would strongly recommend that the United States Employment Service be continued.

SAMUEL WARD MANUFACTURING CO.,
WALDO H. RICE, *Boston, Mass.*

By continuing the United States Employment Service, charging no fee, it is an asset to Boston. We have gotten good, reliable help, both male and female, for the Charlesgate, and also for our summer hotel at North Scituate.

Will you kindly use your influence in behalf of the hotel employers and employees?

JAMES J. DOHERTY,
President Hotel Men's Association of Massachusetts, Boston, Mass.

Mr. NOLAN. Will you try to insert right here, as far as you can get them, whatever statistics you can get to show whether employers have to pay for the service of the fee-charging agencies?

Mr. HALL. I am not familiar with that and can only put in the record my own statement, but I will put a statement in.

Mr. NOLAN. I would like to know whether they have in any section of the country in a general way to pay for the services from the fee-charging agency; and if so, to what extent.

Mr. HALL. The National Association of Manufacturers has always been against the Department of Labor. They are not against the national employment system, in my opinion. They are against any-

thing that comes out of the Department of Labor, because it does come from that department. That is my own personal opinion. I have here in my hand a bulletin of the National Association of Manufacturers sent out by their national officers. It apparently went to all of their members. In 1913 their membership was 4,000. I do not know what it is now.

Mr. HERSEY. When was that sent out?

Mr. HALL. That was sent out from the National Association of Manufacturers in the United States, General Offices, 30 Church Street—

Mr. HERSEY. But when?

Mr. HALL. It is Bulletin No. 26, and no date appears on it. It mentions a number of dates in here, and I will tell you what it says. It says—shall I file it here?

The CHAIRMAN. It is pretty thick to put in the record.

Mr. HALL. The only thing I want to show by this is that they have circularized the manufacturers very generally and accused, or stated as a fact, that the employment service is engaged in unionizing the labor of this country, and also draws at a great deal of length on the Mooney case.

The CHAIRMAN. Is that the only thing that you want to put it in for?

Mr. HALL. That is what I want to put it in for.

The CHAIRMAN. And does it deal with the Mooney case alone?

Senator KENYON. Doesn't it deal with other subjects?

Mr. HALL. Yes, sir. It states that the perpetuation of the present administration of the United States employment service is in any form undesirable, and that it has been incompetently handled. The only thing that I am trying to explain is that there is some cause for this multitude of letters that has been pouring into Washington to the Senators and the Members of the House. I saw a Pennsylvania Senator recently, and he said that he had that day received twenty letters.

The CHAIRMAN. If there is no objection permission will be granted to incorporate it in the record.

(The bulletin above referred to is here printed in the record in full as follows:)

[National Association of Manufacturers of the United States of America. General offices, 30 Church Street, New York City.]

SPECIAL WASHINGTON SERVICE BULLETIN No. 26.

FOREWORD.

Strenuous efforts are being made in the present session of the Sixty-sixth Congress, mainly by those who seek to perpetuate jobs at Federal expense, to enact legislation for the continuation, in some permanent form, of the United States employment service. The following résumé clearly sets forth every phase of the situation, involving the history of the Federal employment service and its officers and agents. Various and important reasons that call for the discontinuance of any Federal expenditure in connection with the United States employment service are given herein:

The text of the bill, known as the "Nolan bill," to provide for the permanent establishment of the employment service, as introduced in the United States House of Representatives on May 31, is also given on the last pages of this bulletin.

It is urged that every manufacturer, and cooperating organization of manufacturers, assist in developing or establishing State and local employment

services; and that sympathetic and efficient cooperation be given to the demobilization service of the War Department. It is further urged that individual manufacturers and their respective organizations promptly bring to the attention of the committee of the House of Representatives having the employment service bill and appropriations in charge, their experience with and viewpoint respecting the Federal service as presently administered. The personnel of the committee of the House of Representatives having the matter in charge will be found in this bulletin. Members of the association desiring further information in relation to the subject may obtain it by application to the legal department of the National Association of Manufacturers, Union Trust Building, Washington, D. C.

UNITED STATES EMPLOYMENT SERVICE.

A determined effort is now being made to perpetuate the present United States employment service as a permanent bureau of the Department of Labor. The appropriation of some \$14,000,000, afterwards reduced to an estimate of 10, to continue the service was not given place in the sundry civil appropriation bill by the Committee on Appropriations of the last House, and endeavors to amend the bill to provide such appropriations failed in the House.

To meet the evident disapproval of Congress, a conference was called by the Secretary of Labor to meet in Washington April 23, 24, and 25, the membership being alleged to be designated by the governors of the States, and the purpose of the conference to be:

"To define and establish the most effective form of relationship between national and State employment activities, and in general agreement bring out a definite objective toward which all may work to the end that a thorough and comprehensive public employment service may be permanently established."

Of the 69 persons enumerated in the official minutes as attending the conference, 33 were Federal directors, or assistant Federal directors, or executive officials of the employment service. No associations of employers, national or State, were represented or invited to be represented; but among the delegates was W. G. Roberts "representing Samuel Gompers, A. F. of L." Organized labor was properly invited, organized employers invidiously excluded.

A tentative draft of a bill for the permanent establishment of the employment service was presented and discussed, several times redrafted, indorsed and placed in the hands of a committee of five for final draft. Its ultimate form is that of the Nolan bill (H. R. 4305), introduced in the House on May 31, copy of which it attached to this bulletin.

It is now proposed to appropriate \$4,000,000 for the execution of the plan provided in the bill and to make a statutory officer of the director general; \$272,000 was provided in the urgent deficiency bill for the continuation of the present employment service until June 30, but on May 29 a point of order made against the item by Mr. Blanton, of Texas, was sustained.

THE PENDING LEGISLATION.

What is therefore proposed is by statute to permanently establish a national system of public employment offices as a bureau of the Department of Labor under a director general. The Federal Government, through the Secretary of Labor, is to pay to each State for the support of public-employment offices under State control and in cooperation with the Federal service, a sum equal to that provided by the State. But the payment of such sums will be dependent on the certification that the State system is operated "in accordance with the uniform rules and regulations and with the standards of efficiency prescribed by the director general of the United States employment service, with the approval of the Secretary of Labor."

OBJECTIONS TO THE PLAN.

The plan is objected to from all parts of the country; first, in principle; and, secondly, because its adoption insures the perpetuation of the present incompetent, extravagant, and reprehensible directive administration of the employment service.

I. Objection to the principle:

It is objected in principle that, in so far as supplying information respecting opportunity for employment and distributing labor is a public function, it

normally belongs to the State and not the Federal Government, save where the Federal Government is endeavoring to supply its own needs as an employer, or meeting the emergency of war or demobilization. The replacement of demobilized soldiers belongs to the Military Department, it being carried on by it in cooperation with public and private agencies, and the great body of returning soldiers are received by their former employers without the need of an intermediary. For, as the Secretary of War has stated it, "only a small minority" of demobilized soldiers need aid in securing positions.

Furthermore, by making the acceptance of standards and regulations prescribed by the director general of the United States employment service the condition upon which Federal aid to State service is dependent, it tends to subject the States to Federal control in their domestic policy, and to introduce into and propagate with the States conditions and circumstances which have caused the Federal service to lose the confidence of employers.

Finally the employers of the United States may properly object to having permanently imposed upon them an employment service in the establishment of which they have not been consulted nor offered opportunity for criticism or suggestion, but which originates in the very bureaucracy which has maladministered the present organization.

II. The perpetuation of the present administration of the employment service in any form is undesirable and opposed to the public interest because:

A. The service has been incompetently directed, is admittedly extravagant, and has improperly undertaken to vindicate and perpetuate its administration by the use of its personal and public funds to create a semblance of popular opinion intended to influence legislation favorable to itself.

B. The present administration of the service in relation to strikes is in violation of a policy declared by the deputy labor administrator for the conduct of the service and is invidiously discriminating. If carried into uniform regulations in the form of proposed in the bill, it would be unfair and seriously injurious to industry.

C. The present administration has invidiously discriminated in handling applicants, and has tolerated serious misconduct by its representatives.

D. The present director general of the service has disqualified himself to continue its administration by his official conduct in the city of San Francisco by the arbitrary misuse of his office in the making of the most serious and defamatory charges against officials and the community, and refusing to verify or withdraw the same or submit to legal investigation.

A great mass of evidence clearly indicates that the practical efficacy of the service is almost in direct proportion to the number of well-organized and experienced local employment bureaus which were taken over. The director general was without expert qualification or experience for the organization or direction of an employment service. The high percentage of applicants for employment who failed to remain in the positions accepted for an appreciable period, or to appear where assigned; the manner of accepting credit for placements; the form of the reports, which are incapable of being checked back; and the utter failure to provide men at all at many of the most needed points; all bear testimony toward the impracticability of the system and the incompetence of its direction.

CAMPAIGN TO JUSTIFY ITS EXISTENCE.

A self-evident admission of its failure is found in the continuous campaign carried on by the service to justify itself and to offset criticism by the continuous publication in its own bulletins of self-laudatory declarations, accompanied by a persisting, systematic, continuous campaign, employing public funds, and utilizing State directors and local employees to create in the congressional mind sentiment favorable to the perpetuation of the service.

Typical evidence of this extraordinary conduct on the part of a Federal department of the Government is found in letters addressed to the Federal directors of employment in the several States by A. D. Chiquoine, jr., director information division of the Employment Service. On February 18 he sent out an appeal, of which the following is a part:

"What is especially needed are letters and telegrams from large employers and other organizations, chambers of commerce, labor organizations, especially those already cooperating with the employment service.

"No one is better able to get these than a newspaper and publicity man, and that is why I am calling on you in this crisis to put the job across in your State.

"All messages urging the passage of the appropriation bills should, of course, be sent by the employers, etc., and not through the employment service.

"All messages should be addressed to the chairman of the appropriations committee, House of Representatives, and accompanied with a letter of explanation should also be sent to the Representatives and Senators from your State, also please send a copy to the writer, marking the envelope personal.

"I can not impress upon you too strongly the necessity for immediate action and the urgency of getting the approving statements on their way to Washington. Each should specifically urge the continuation and development of the service and ask that the appropriations as requested by the Department of Labor be granted."

It was admitted that the editor of the Employment Bulletin sent out quantities of telegraphic appeals to the same end, and Congressman J. Hampton Moore, of Pennsylvania, declared on the floor of the House: "I question whether a more successful propaganda has been carried on for many years than has been inaugurated through attachés of the Department of Labor for the purpose of sustaining an appropriation of \$14,800,000, and which would be capable of keeping in the Government anywhere from 5,000 to 15,000 men."

This determined effort to use public funds for the purpose of artificially creating sentiment favorable to the perpetuation of an emergency service of the Government led the present chairman of the Appropriations Committee of the House, Mr. Good, to propose an amendment to the sundry civil bill which carried in the last House providing:

"That no part of the money appropriated by this act shall be used for any personal service or to pay for post card, telegram, letter, or circular designed to defeat or enact any proposed legislation by Congress, or to influence any Member of Congress in his vote for any appropriation, unless specifically authorized."

EXTRAVAGANT USE OF FEDERAL FUNDS.

The extravagance of the administration of the service is indicated not only by the rate of its expenditure by comparison with its own costs of placement with those of a well-conducted State employment service, but by the further comparison of its own estimates for the continuation of the emergency service with what it considers necessary for a permanent service.

The Sixty-fifth Congress appropriated \$5,500,000 for the employment service for the fiscal year beginning July 1, 1918; and the service had accumulated a deficiency that ran into millions in the spring of 1919, although the end of the war had lessened the necessity for its activities in November, 1918. Even then it estimated its necessities at \$14,800,000 for the fiscal year beginning July 1, 1919; under the pressure of the Appropriation Committee's inquiry it pared this to \$10,000,000; and in the bill which now represents its desires requests \$4,000,000, 75 per cent of which is to be allotted among the several States for the purpose of establishing local offices. Nothing could more materially demonstrate either extravagance or incompetence than the variance of these estimates under the searching inquiry of criticism.

STATE SERVICE LESS COSTLY AND MORE EFFICIENT.

The public employment service of Massachusetts operates 3 offices—Boston, Springfield, and Worcester. The Federal employment service operates 31 such offices in Massachusetts. Of all the applicants for employment placed by public agencies in Massachusetts during 1918, the three State offices placed one-third at an expense of \$33,000; the remaining two-thirds being placed by the 31 Federal offices at an expense of \$200,000. The cost per placement in Massachusetts for the Federal service for the quarter ending December 31, 1918, ran from 53 cents per head in the Boston office to \$37.92 in Haverhill.

For the 13-week period from December 30, 1918, to March 29, 1919, the women's division of the State employment service of Massachusetts made 72.4 per cent of the total placements of female applicants; the Federal service, 27.6 per cent. How shall an incompetent national service promote the establishment of efficient State service?

B. The present administration of the service in relation to strikes is in violation of policy declared by the deputy labor administrator for the conduct of the service, and is invidiously discriminating; if carried into uniform regulations in the form proposed in the bill, it would be unfair and seriously injurious to industry.

Through General Order No. 16, issued January 22, 1919, the employment service has taken the position that it will not supply labor to a struck shop. It will neither "publish or in any manner promulgate information concerning workmen wanted where a strike exists or is threatened * * *.

"A situation where a strike exists or is threatened contains these elements:

"1. The workers who have had experience with that employment do not look upon it as being profitable.

"2. There is a sufficient supply of labor already there. The problem involved is not one of supplying more labor but one of satisfactorily adjusting the terms of employment.

"3. The persons engaged in the dispute are qualified to perform the kind of work required by virtue of the training and experience developed, which would not always be the case with persons without previous experience in that employment.

"4. We can not convey information of employment to be had where a strike exists or is threatened without being placed in the position of actively assisting one of the sides. If we do not convey such information, our position is entirely passive."

EFFORT TO TURN STATE AGENCIES OVER TO UNION LABOR FORCES.

It is to be fairly assumed that the uniform regulations which the director general of employment is authorized to promulgate under the proposed bill would contain like provisions and must be accepted by the State agencies which desire Federal appropriations.

A brief analysis discloses that the proposal is not one of neutrality but of active assistance to strikers, however few their number, however groundless the strike or beyond the control of employers. The more successful the employment service becomes in monopolizing sources of application for employment the more thoroughly any employer is deprived of opportunity for procuring labor in case of strikes.

UNNEUTRAL ATTITUDE TO SUPPORT STRIKERS.

The condition which may result can not be better illustrated than by the experience of the United States Housing Corporation, a Government agency, which in May was constructing 100 buildings at the naval proving grounds, Indianhead, Md.; 365 union carpenters engaged in a jurisdictional dispute with the lathers and struck because the latter insisted upon performing the plaster work. The houses were 75 per cent complete, and badly needed for a large new force of Government employees and their families. In this case the housing corporation determined to proceed with nonunion men if necessary. Had the corporation been a private employer, the employment service under its ruling would have refused to publish information respecting the need of labor; and, under its own declared line of reasoning, assumed that there were a sufficient number of qualified persons capable of performing the work which the carpenters refused to perform. The situation may be duplicated in many parts of the country.

But, not only is the attitude of the service with respect to struck work obviously not neutral but partial to those engaged in the strike; it is in flat contradiction with the policy declared by Mr. Felix Frankfurter, then deputy labor administrator and chairman of the war labor policies board, respecting that policy to be pursued by the United States employment service during strikes.

On August 6, 1918, a committee of the metal trades met with Mr. Frankfurter at his request. There were present Mr. H. F. Perkins, his industrial advisor; Mr. Sevier, his assistant; and a committee of nine representative metal-trades manufacturers. The conference covered a variety of questions, and a memorandum of it was drawn up in which he approved the following declared the Government policy with respect to local Federal employment agencies relative to strikes:

"The question was raised as to the operation of local employment agencies of the United States in respect to strikes. Mr. Frankfurter declared his opinion that such agencies must not pass upon the merits of such controversy, but must maintain strict neutrality. Other agencies established for that purpose give consideration to the merits of the controversy and its adjustment.

"It was further understood and agreed that, however, the Government might ultimately use its employment agencies to enforce the decisions of mediation,

conciliation, or arbitration boards by denying the facilities of such agencies to the employers or employees, such local agency should in no instance, upon notice of the existence of strikes or lockouts, refrain from affording facilities to employer and employee pending the adjudication or adjustment of such controversies or the determination of the governmental policy by the War Labor Policies Board."

Under the declaration and agreement, it became the duty of the employment service to inform applicants with respect to vacancies, however they occur, and to deny its facilities neither to employer nor employee, except in final enforcement of some judgment with respect to the particular controversy, the execution of which was ordered by a department head.

C. The present administration has invidiously discriminated in handling applicants, and has tolerated serious misconduct by its representatives.

Substantial complaints of this class are numerous and from all sections of the country. As typical illustrations, two may be indicated:

In the summer of 1918, advertisements appeared in the Minnesota papers for workers wanted on the Pacific coast, "union men only." Mr. Walter Drew, counsel of the National Erectors' Association, by letter directed the personal attention of Mr. Densmore, director general of the employment service, to these advertisements, and answer was made to the effect that "in Seattle" by agreement between employers and unions in the shipyards union men only were employed. Mr. Drew again called attention to the fact that "Seattle" was not the "Pacific coast," and that the advertisement directly indicated that only union men could apply for service in that region. Correspondence then ceased.

EMPLOYMENT SERVICE AGENTS FOMENT LABOR TROUBLE.

On September 24, 1918, 18 responsible manufacturing establishments of Muskegon, Mich., complained under oath to the Secretary of Labor and the director general of the employment service, making complaint of the improper activities of five senior examiners of the United States Employment Service in that city. The complaint was specific as to time, place, and circumstance, supported by numerous affidavits, and verified under seal. From this complaint it was shown that the representatives of the Employment Service had been advertised to participate and did participate in organization meetings of the machinists' union held in that city; and that at such meetings senior examiners of the employment service informed those present in the course of addresses: "Now is the time to make the manufacturers of this town hunt their hole. If you join the union and go on a strike, the employers here will stand a fine chance of getting any outside help, as all orders of help will have to go through the United States employment service. And, again, other examiners declared at similar meetings: "We are out to organize the machinists of Muskegon and the rest of the State. No shop in Muskegon that has had any trouble with the union will get men through the United States employment service until it comes clean with the union. We will place nonunion men in union shops, and union men in other shops until they all get into the union."

Such declarations and many others, together with the time and place of the statements and the names of the officers of the employment service making them, all supported by affidavits, were part of the complaint made to the Secretary of Labor. The facts were not challenged. Some weeks later the complainants were informed by a communication from the Secretary of Labor that the examiners in question had been ordered to other places. No other attention was paid to the complaint; no redress given; no indication either that the conduct was regarded as reprehensible or that the complaint was sustained or dismissed.

These instances are merely typical of many others, verified upon investigation and under oath. The treatment with which such complaints are met should be a sufficient evidence of the attitude of mind of the administration of the service.

Employers are entitled to employ union or nonunion men exclusively or to operate open shops. The service as a public agency occupies an indefensible position in approving, tolerating, or acquiescing in acts of discrimination or partisanship by its representatives. If such has been its conduct in the past, what is the administration likely to do in the future if permanently established with enlarged powers and the means to compel State agencies to adopt its policies under the penalty of deprivation of Federal support?

D. The present director general of the service has disqualified himself to continue its administration by his official conduct in the city of San Francisco

by the arbitrary misuse of his office in the making of the most serious and defamatory charges against officials and the community and refusing to verify or withdraw the same or submit to legal investigation.

The present director general of the service has disqualified himself from further conducting its administration by his own conduct in the city of San Francisco, where he arbitrarily misused power to make investigations which were not part of his duties as director general of employment, and where, having made the most serious and defamatory charges against officials and business men of the community, he fled the jurisdiction and refused to verify or withdraw the same or to appear before the only legal body authorized to examine into the truth of his statements.

DIRECTOR GENERAL'S ACTIVITIES IN SAN FRANCISCO.

On November 23, 1918, the San Francisco Call published in its entirety a report made by John B. Densmore as director general of employment to William B. Wilson, Secretary of Labor, under date of November 1, 1918. No official copy of this report is obtainable on application to the Department of Labor, but its authenticity is not denied, and the declarations made therein were reiterated and reaffirmed by the director general in public statements appearing in the press of San Francisco and Portland, Oreg., for a number of days after the publication of the report.

From this report it appeared that the director general, at his own solicitation, had been authorized by the Secretary of Labor to conduct in San Francisco "a secret and private investigation" of the Mooney case; that to this end he had proceeded to San Francisco and instructed two operators how to conduct the investigation which he directed; that it was found advisable to install a dictograph in the office of the district attorney of San Francisco; that this was done; and that from June to October, 1918, conversations occurring in that office by various persons were reported.

In the report Mr. Densmore charged the district attorney with being in conspiracy with certain business interests of the city of San Francisco to procure the conviction of Thomas Mooney, charged and convicted of killing a number of persons during the preparedness parade in that city on July 22, 1916. From the report it appears that the investigations of Mr. Densmore had been under way some six months, during all of which time and three months prior thereto he had been director general of employment, having resigned in January, 1918, his position as solicitor of the Department of Labor to accept the directorship of the employment service.

Immediately upon the publication of the report he left the city of San Francisco and has never returned thereto. The grand jury of the city and county was convened for the purpose of hearing testimony with respect to the director general's charges, which excited the wildest interest and were calculated to and did arouse the bitterest social passions. The governor the State appointed a special deputy attorney general to supersede the district attorney, Flickert, as he was the subject of Mr. Densmore's charges and would otherwise have been the legal advisor of the grand jury. Mr. Densmore declined to return to San Francisco to appear before the grand jury and was supported in his position by the Secretary of Labor, although the foreman of the grand jury, the presiding judge of the superior court, the mayor the city, and the governor of the State joined in requests both to the director general and to his chief, requesting his return and the verification under oath or the withdrawal of his charges. In the face of these repeated requests and insistent demands, the director general declined to return to the State of California. The Secretary of Labor, his superior, declared in a telegram to the governor of California: "I am instructing Mr. Densmore to put in your hands a complete copy of his report to me, and I am also instructing him to place himself entirely at your disposal." On December 2, the governor requested that Mr. Densmore at once report to the attorney general of California. On December 23, 1918, the governor's request was refused by the Secretary of Labor.

The only direct witness of the conversations alleged to have been overheard by dictograph within the jurisdiction of California was one of the alleged investigators, William Armstrong. On being summoned before the grand jury, this witness declined to testify on the ground that he would incriminate himself. Presumably, as the report of the grand jury indicates, on the ground that at least part of the investigation involved the tapping of telephone wires, which is a crime under the penal code of the State of California.

SAN FRANCISCO GRAND JURY'S REPORT.

Mr. Armstrong was defended in his refusal to testify by the United States district attorney appearing on his behalf upon instructions from Washington and sustaining Armstrong's position. The grand jury of San Francisco called every witness having information with respect to the alleged charges and described its investigations and conclusions in an elaborate official report which concludes as follows:

"The Densmore report remains an unconfirmed and unsubstantiated document. There is no evidence to show by whom or when or how the information was secured. The reason of Mr. Densmore's visit to San Francisco, as well as its object, has not been disclosed. Just what his instructions may have been, who authorized the investigation and who approved the expense incident thereto, are equally in doubt. The only apparent facts are that with or without the knowledge of his superiors the report filled with uncorroborated and unproved charges embodying entirely irrelevant matters, * * * was given publicity. That the author immediately fled and failed, not alone to respond to the service of the State courts, but to the service of the United States courts as well, as since the publication of the report has been protected in his position and encouraged in his silence by the head the Department of Labor."

Thus appears that the director general of employment not only conducted an investigation outside of his jurisdiction and unauthorized by law which trespassed upon the most private rights of individuals and the State; but that having made the most socially irritating and defamatory charges against officials and the community, refused to verify his statements at the request of the most important official and legal bodies of the community involved; has avoided the jurisdiction which he invaded; has never explained his conduct; and the report given to the press of the community which was the subject of attack has never been printed as an official document and is not available on application.

Quite apart from every other circumstance of the administration of the Employment Service, it is submitted that the facts of Mr. Densmore's conduct in San Francisco unfit him to continue the administration of the service, which requires for its successful conduct the respect for the authority of law through its representatives and the confidence of the business community, which he has lost.

LIST OF HOUSE COMMITTEE MEMBERS IN CHARGE OF LEGISLATION.

The Committee on Labor of the House, to which the Nolan bill is referred, is composed as follows:

Chairman, John Smith, Michigan.
 John I. Nolan, California.
 Ira C. Hersey, Maine.
 Frederick N. Zihlman, Maryland.
 N. J. Gould, New York.
 Oscar Bland, Indiana.
 John C. MacCrate, New York.
 Frank Murphy, Ohio.
 James P. Maher, New York.
 Walter A. Watson, Virginia.
 John J. Casey, Pennsylvania.
 William L. Carss, Minnesota.
 Samuel C. Major, Missouri.

The subcommittee of the Appropriation Committee of the House, having charge of the sundry civil bill, is composed as follows:

James W. Good, Iowa.
 William S. Vare, Pennsylvania.
 Walter W. Magee, New York.
 Joseph W. Byrns, Tennessee.
 James A. Gallivan, Massachusetts.

In conclusion, it is to be observed that the attempt to perpetuate the present administration of the United States Employment Service assumes two forms:

First. A bill to make the service a permanent bureau of the Department of Labor and appropriate \$4,000,000 for the execution of the policy therein provided, and make the position of director general a statutory office.

Secondly. An endeavor may be made to extend the life of the service in its present form by an appropriation in the sundry civil bill.

Each plan is an endeavor to perpetuate in permanent Federal form a temporary emergency service, the administration of which has excited the widest dissatisfaction and criticism, and promises under the present administration to be a continuous source of industrial irritation and to require a vast expenditure without commensurate benefit.

It is urged that every cooperating association assist in developing or establishing scientific and practicable State service, that it sympathetically and efficiently cooperate with the demobilization service of the War Department, and bring promptly to the attention of the above committees and to your representatives your experience and viewpoint respecting the Employment Service as presently administered.

Very respectfully,

STEPHEN C. MASON,
President.
GEORGE S. BOUDINOT,
Secretary.

NEW YORK CITY, June 11, 1919.

Mr. MACCRATE. Do you know if there was a Mr. Anthony as manager of the National Employment Association, at 30 Church Street, at one time?

Mr. HALL. I do not know.

Mr. MACCRATE. Do you know whether he has expressed his position in regard to this Federal employment agency?

Mr. HALL. I do not know.

It has been testified here that a conference was called, and that the governors were requested to send representatives here in order to frame a bill, to advise in the framing of a national employment bill. I want to read this to the committee. It is signed by W. E. Dunn, jr., secretary Southern Metal Trades Association, Candler Building, Atlanta, Ga., and dated April 19, 1919. It reads:

UNITED STATES (IMAGINARY) EMPLOYMENT SERVICE.

GENTLEMEN: Secretary of Labor Wilson, apparently in a desperate effort to save the United States Employment Service, has called a conference in Washington of representatives of governors, beginning April 23.

I earnestly suggest that you communicate at once with your respective governor by wire, telephone, or letter, protesting against any effort to perpetuate the Employment Service, on the ground of proved inefficiency and a waste of public funds, to say nothing of class "propaganda" or the promotion of unionism.

Quick action is necessary if we hope to reach the governors before action is taken.

Although we have made requisitions on the Employment Service within past 10 days for machine-shop apprentices, our requisitions going to 25 or more agencies of the Employment Service, to date we have had no applications from "returning soldiers" or anyone else. We received six applications through one private employment agency the day after we made our wants known. Can you not therefore readily appreciate why we term the United States "Employment Service" imaginary?

Please handle immediately with your governor, and oblige,

Yours, very truly,

W. E. DUNN, Jr., *Secretary.*

This letter was sent to the Department of Labor by Gov. G. W. Bickett, together with a letter from the governor to the Secretary of Labor, which reads:

APRIL 22, 1919.

Hon. W. B. WILSON,
Secretary of Labor, Washington, D. C.

DEAR SIR: I regret that I can not attend the meeting in Washington on the 23d. I think it proper to say that I have felt all the while that the United

States Employment Service was an indispensable agency in bringing together the man without a job and the job without the man.

I think it fair to say to you that complaints come from firms and manufacturers that they get practically no results from applications to the United States employment agencies. A number of them have said to me that they did not desire to secure workers through these agencies, and I have found it boldly charged that the money spent was wasted.

I know that you want to hear both sides, and complaints along the above lines are generally throughout the South.

Sincerely, yours,

T. W. BICKETT, Governor.

Mr. HALL. Later on, on May 5, 1919, the governor wrote a letter—this same governor—to Secretary Wilson, which reads:

MAY 5, 1919.

Hon. W. B. WILSON,

Secretary of Labor, Washington, D. C.

MY DEAR SIR: I wrote you on April 22 about certain complaints that had been made against the efficiency of the United States Employment Service. I did this for the reason that I thought your office ought to be advised about everything that is taking place, and about the attitude of the public mind toward the service. I always want you to know everything that I know. I have since looked into these complaints and am satisfied that they are not well founded. Indeed all of them seem to originate from the Southern Metal Trades' Association. That is sending out a circular, copy of which I inclose. I think you ought to see this letter.

I have looked into the records of Dr. Ramsey's office and find between the dates of November 16 and April 26, 21,386 persons registered, and of these 17,208 secured jobs. This seems to me to be a remarkable showing and completely refutes the complaint as to inefficiency against the employment service in this State.

Assuring you of my very great desire to cooperate with the department at all time, I am, with much respect,

Sincerely, yours,

T. W. BICKETT.

Mr. ZIHLMAN. Who is Dr. Ramsey who is mentioned in that letter?

Mr. HALL. He was the Federal director, and it shows that the governor investigated the placements there.

Mr. ZIHLMAN. Federal director of that State?

Mr. HALL. Yes, sir.

Now, Mr. Chairman and gentlemen, I have a number of letters here of indorsement of the service which I would like to put in at this point.

The CHAIRMAN. Can you tabulate them?

Mr. HALL. I will put these in, or rather excerpts from them, so as not to burden the record unnecessarily.

The CHAIRMAN. All right.

(The letters above referred to are printed in full in the record, as follows:)

I will be leaving this factory within a day or two and the Employment Department will hereafter be under the direction of Mr. Charles Haldimand. Before going I want to express my appreciation of the cooperation that has been given me by your office, both the men's and women's divisions. You and your assistants have met the demands made on you for all classes of employees in a way so prompt and painstaking that I have been enabled to effect an organization which I am told is second to none in any of the factories of the American Can Co. This, of course, is gratifying to me as it will be to you. Aside from the valued assistance you have rendered the company, my relations personally with you and your staff have been of a nature that leaves me regretful that they must terminate so far as I am personally concerned.

I have asked Mr. Haldimand to see you and have a talk with you. As your efforts in the past have so satisfactorily met the demands of the company, he

understands I am most desirous that the relationship established between us shall be continued without change of policy.

With kind regards, and best wishes for continued success in the work you are doing, I am,

Very truly, yours,

AMERICAN CAN Co.,
T. NEEL, *Employment Manager.*

We take great pleasure in notifying you that the United States Employment Service has been of great benefit to us in securing factory help, and that the men and women sent to us from your service have been of high standard.

We trust that the United States Employment Service will be maintained and that we can be of mutual assistance.

Yours, very truly,

THE BEACON FALLS RUBBER SHOE CO. (INC.),
TOP NOTCH DEPARTMENT,
WM. S. CURTIS[s],
Acting Employment Agent, College Point, Long Island.

We understand that there is a committee before the Senate at this time which is taking up the matter of the United States Government Labor Employment Bureau, and it is our desire to express our thanks to you at this time for the work which you have done during the past year in this district. We will say that the assistance that you have given us in securing employees for our plant has been very material, and has been appreciated by us, and it is our opinion that this work is especially necessary during the period of reconstruction, and will no doubt, if carried on afterwards, not only assist the employer to find labor, but it will be an assistance to those who are looking for positions to connect with a manufacturer who needs this particular service.

Again thanking you for your cooperation, we are,

Yours, very truly,

L. W. F. ENGINEERING CO. (INC.),
H. L. GABER,
Assistant to General Manager, College Point, Long Island.

Believing the United States Employment Service to be necessary to the welfare of the manufacturing enterprises of the country at large, we urge that you lend your full support to the continuation of this branch of the service. We are badly in need of labor, and the agency here has cooperated with us and we work through them in all our efforts to get labor.

THE AMERICAN AGRICULTURAL CHEMICAL CO.,
Wilmington, N. C.

The United States Employment Service is doing very valuable work for both employers and employees, and especially in replacement of returned soldiers and sailors. You are earnestly requested to support the measure looking to the continuance of this service as a permanent institution.

The United States Employment Service has been of material assistance to us in securing our labor needs. We would regret very seriously the discontinuance of this service. We feel that it would be a step backward to discontinue this service.

P. J. VAN GETT,
Employment Manager Liberty Shipbuilding Co., Wilmington, N. C.

Please support appropriation, recommended by Secretary of Labor, for Government Employment Service. Doing necessary work—replacement of soldiers.

AMERICAN CAN Co., *Kansas City, Mo.*

The United States Employment Service is doing excellent work, and should be continued as a permanent institution. Your support of the appropriation requested for this service, by the Secretary of Labor, is earnestly requested.

HARRY E. HELLER,
General Agent, C. B. & Q. R. R., Kansas City, Mo.

The employment service from this city has established wonderful constructive accomplishment, and the splendid results of their work is generally recognized throughout the country. An adequate appropriation should not only sustain this work, but the Government should lend every encouragement to further development, especially so at this critical time. Any American citizen, not influenced by personal interest, who has kept informed on the work of this department, can not help but realize that it has developed into one of the most important of the Federal activities.

LEWIS H. FALLEY,
Manager Crescent Lead & Zinc Corp., Kansas City, Mo.

We understand there is opposition in Congress to appropriating money to continue the work of the United States Employment Service. As a large employer of labor, we have found private employment agencies inefficient, irresponsible, and very expensive. Our experience with the United States Employment Service makes us believe it capable of rendering a necessary and desirable public service in stabilizing employment throughout the United States. We hope, therefore, you will use your best efforts to see that the necessary appropriations are made to keep this employment bureau going, and will bring this to the attention of the Committee on Appropriations.

AMERICAN ZINC CO. OF TENNESSEE,
Maryville, Tenn.

Again we have to appeal to you for more labor, and again we wish to express our appreciation for the valuable service you have rendered us in the past. We are indulging in no exaggeration when we state that without your assistance we could not have operated our plant continually, as has been the case.

The men you have supplied us with have been well selected and come fully instructed, so that the majority are still with us. However, there has been a percentage of malcontents. As an example of what we are up against, I recite an experience of yesterday. Four sawyers came in from the woods for settlement. I heard them wrangling in the outer office and invited them into mine for the purpose of listening to their grievance. Each had been supplied with a detailed statement of his account, which I checked over item by item. The credits were all O. K. and so were the charges. When the matter was simmered down it developed they felt they had been misled in that they were told by your office that our pine was soft pine, and, as a matter of fact, it is the softest in the South. However, they admitted never having cut any anywhere else.

Our immediate needs are for log sawyers, and we are certain that as usual you will come to our rescue with the delivery of as many as six or eight.

Yours, truly,

GEO. C. HAMILTON,
Manager the Mississippi Soft Pine Co., Canton, Miss.

We have just learned of the opposition in Congress to appropriate the necessary funds to continue the work of the United States Employment Service. We believe it would be a great mistake to not continue in operation the State and district agency service. Private employment agencies inefficient and ineffectual. This service should be continued in the interest of our soldiers and sailors, who have done so much for democracy. We urge that you use every means at your command in behalf of the necessary support of the department's policy.

SOUTHERN APPALACHIAN COAL OPERATORS' ASSOCIATION,
By J. C. McCox, *Secretary, Knoxville, Tenn.*

The United States Employment Service as established during the period of the war has demonstrated itself to be very valuable to both the large employers of labor, and also to the laboring man, in bringing together from an entirely disinterested point financially the two elements so necessary for success.

From the experience during the period of the war it is our opinion that something along the same line made permanent by national legislation would be of lasting benefit to both capital and labor.

Detroit, being one of the very large centers, is vitally interested in a movement of this kind, and knowing your interest in Detroit and everything pertaining to its prosperity and success, we, as employers of labor to extent of about 2,000, are asking you to interest yourself in the bill now pending before your committee legalizing the national bureau.

Respectfully,

CROWLEY, MILNER & Co.,
J. H. BARRETT,
General Superintendent, Detroit, Mich.

During the year 1918, while we were on war work and shortage of both male and female workers was at a peak, your office rendered us valuable service in keeping our plant manned, and the class of persons which you directed to this office were of a high type of factory workers.

We again thank you for the assistance given us and trust that an appropriation will be made by the Government which will enable you to keep this branch open.

H. L. G. LIGHTCAP,
Employment Manager, Belden Manufacturing Co., Chicago, Ill.

I understand that there is some question as to whether the United States Employment Service, Women's Division, will continue to function because of failure to receive an appropriation from the United States Government. Permit me to express my personal regret and the regrets of this company if that should be so.

It may be an opportune time to say that the United States Employment Service, Women's Division, has been of great help to this company during the war and since the war, in finding capable women to take the places of our men who went into military service. In practically every instance, the young women thus employed have long since proved their efficiency and have remained with us as permanent employees. Many of the others, who made application at your suggestion, but could not at the moment be placed in our organization, were turned away with real regret, because of the uniformly high grade of applicants you sent to us.

During the few months just preceding the signing of the armistice we found it especially difficult to keep our organization fully recruited. At that time, this company was 100 per cent a war industry, and those of us who were responsible for the personnel of our respective departments found the cheerful and efficient cooperation of the United States Employment Service, Women's Division, a very timely aid.

I congratulate you on the success of your organization in doing what it was meant to do, and I am sure in expressing the hope that it will not be necessary for the Pittsburgh office to disband I am but voicing the sentiment that a great many other Pittsburgh companies, who have profited by the efforts of your office, undoubtedly feel,

Very truly, yours,

ALUMINUM CO. OF AMERICA,
HAROLD D. SILL,
Manager General Sales Office, Pittsburgh, Pa.

We take pleasure in testifying as to the excellent services rendered us by your industrial department in the matter of obtaining for us office help during the last two years.

Prior to our use of your services there was, of course, the normal amount of lost motion in getting in touch through the usual sources with those who were

seeking positions of this kind. There was also the expense of more or less advertising.

A very large proportion of such employees as we have secured from you have been satisfactory, and for our own convenience we hope that this department may be continued.

Yours, very truly,

HARBISON-WALKER REFRACTORIES Co.,
KENNETH SEAVER,
Assistant General Sales Manager, Pittsburgh, Pa.

Appreciating the service furnished by your department and the aid that it has been for us in obtaining efficient help, we trust that the Government will continue permanently your department.

Thanking you for the service rendered us, we are,

Yours, truly,

PITTSBURG-ERIE SAW Co.,
C. H. JULL,
Manager, Pittsburgh, Pa.

Believing the United States Employment Service to be necessary to the welfare of the manufacturing enterprises of the country at large, we urge that you lend your full support to the continuation of this branch of the service.

NORTH CAROLINA LUMBER Co.,
Wilmington, N. C.

We beg to say we are greatly pleased to state that we considered the service of the United States employment department of Meadville the finest thing which could have happened at the time your office was opened.

The assistance rendered us in keeping our employees on the job was very valuable to us and assisted us materially in turning out orders which were urgently required by the Government.

There can be no question but what the Government Employment Service was the only way in which the proposition could have been handled to advantage.

Thanking you for the help you gave us and wishing you the compliments of the season, we are,

Yours, very truly,

MEADVILLE MALLEABLE IRON Co.,
P. W. KAUFMAN,
Secretary and Manager, Meadville, Pa.

We desire to say a word as to the service your office has rendered employers in Meadville. We believe that such offices as yours can be used to excellent advantage in solving some of the problems of labor and unemployment, resulting from the demobilization of our armies, and we hope that your office will be continued under peace conditions. In fact, it is our conviction that Government employment offices have proven their right to an important place in the Government program of handling the labor situation.

Yours, very truly,

McCROSKEY REAMER Co.,
F. P. MILLER,
Meadville, Pa.

We urge that the appropriation be granted for the United States Employment Service, as requested by Department of Labor. The necessity of this service has been proven during the war, and is needed even more while going from war to peace basis.

JEROME HOWARD,
President Howard Lumber Co., Superior, Wis.

During the war the local United States Employment Service has been of great assistance to us. We solicit your support in securing an appropriation so that the good work may continue during the reconstruction period following the war.

J. M. BARKER,

Employment Manager, The Superior Shipbuilding Co., Superior, Wis.

Memphis United States Employment Service has been of great assistance to this company, and we feel that any failure to make proper appropriation would be a mistake.

CHAS. A. PRICE,

Superintendent American Car & Foundry Co., Memphis, Tenn.

I wish to take this opportunity of writing you regarding the work of the employment office in Dayton, Ohio, which I have had a chance to observe. I have been in Dayton twice this last month for the purpose of getting laborers for our flint factories. The last time I was there I brought 104 men back with me, about 90 of those being colored.

I wish to commend you on the way that this office has been conducted, and I have written Mr. Holbrook a letter telling him how I have appreciated the courtesy extended to me while in Dayton. This office is one of the best equipped and handled of any United States employment office with which I have come in contact.

I write this letter to you because I believe that the management of the Dayton office is worthy of this commendation.

Yours, truly,

E. F. BLANK,

Employment Manager, Buick Motor Co., Flint, Mich.

It affords me great pleasure upon completion of our work here to have the privilege of addressing you to express my deep appreciation of the services rendered us by your department. When labor was so scarce you were always ready and willing to do everything in your power to comply with our request for labor.

Thanking you for your service, we beg to remain,

Yours, very truly,

LIBERTY SHIPBUILDING CO.,

By GEORGE J. GIRARD,

Construction Superintendent, Brunswick, Ga.

I think it an opportune time to express the satisfaction your bureau has afforded me in the furnishing of help for the American Railway Express Co.

Your department has been of the greatest benefit to us opened in Scranton. I found it very hard to secure help, but since that time I am pleased to say that you have been of greatest assistance to us.

Thanking you for your cooperation and hoping to continue our pleasant relations, I am,

Yours, truly,

AMERICAN RAILWAY EXPRESS CO.,

H. TAYLOR, Agent, Scranton, Pa.

I am taking this occasion to write and extend to you our thanks and appreciation for the valued service rendered by your office to us during the war in securing labor, as your assistance was of untold value to us. I trust that arrangements will be made to continue the United States employment office in Paterson, so that we may know who to call upon in the future when in need of additional help.

Again thanking you for your past cooperation, and trusting that we may be favored with it in the future, I remain,

Very truly, yours,

E. N. BOSWELL,

Acting Manager American Locomotive Co., Paterson, N. J.

It is our understanding that there is some question as to the advisability of maintaining the Government employment service after the war. We believe that it is no more than justice to state that our experience with the United States Employment Service has been very satisfactory. We have received very efficient service at Omaha and Kansas City—particularly Omaha—and we do not feel that anything would be gained by returning to private employment agencies.

Very respectfully,

THE CUDAHY PACKING CO.,
CHAS. A. STEWART,
Assistant General Superintendent, Omaha, Nebr.

We understand Congress is considering the question of an appropriation for the United States employment agencies, and wish to say that we would like to express our feeling in reference to the same.

We have found the local office to have a good influence on the labor situation, and it has located labor for us when labor was scarce.

There is a surplus of labor at the present and we understand the local office is doing considerable to find employment for the unemployed. It seems, therefore, to us that it would be inadvisable at this time to discontinue the agencies.

Yours, truly,

ALUMINUM GOODS MANUFACTURING CO.,
By G. A. MAGEE,
Manager Plant No. 1, Two Rivers, Wis.

We feel that we have benefited greatly through the services of the United States Department of Labor in putting us in touch with those needing employment, such as we were desirous of giving, and I would feel glad to see your office continued.

Yours, very truly,

CALUMET BAKING POWDER CO.,
Per T. J. BRYAN,
4100 Fullmore Street, Chicago.

Your office has been of material assistance to us in connection with the labor situation, and if this office should be closed at this time, in view of the anticipated labor shortage, it would be a detriment to this community.

We wish to thank you at this time for the assistance you have rendered and the courteous treatment we have received.

Respectfully,

GRIFFIN WHEEL CO.,
By FRANK S. NACHOWSKI,
Labor Agent, Chicago, Ill.

I am writing you in commendation of the work being done by the United States Employment Service. This organization has been of great assistance to the shipbuilding and other industries in helping to procure labor to operate their plants, and I consider that our honored President did a wise thing in organizing this department; that it has helped to a considerable extent in getting more efficiency out of shipyards and other enterprises.

I understand there is some opposition in Congress against this department: I think it would be a serious mistake to discontinue the service of this department as this organization is well organized and getting more efficient every day; even after the war, their services will be essential in helping to secure employment for our troops when they return to their homes.

Very truly, yours.

INTERNATIONAL SHIP BUILDING CO.,
By J. H. CHRISTIE,
General Manager, Orange, Tex.

This is to acknowledge your noble work during the month of April. We have received 84 men from your office that we have applied to positions in our various plants, and we want to say the same is gratefully acknowledged by this corporation.

Again thanking you, we remain,
Yours, very truly,

THE STUDEBAKER CORPORATION,
J. H. LYONS,
Supervisor of Employment, Detroit, Mich.

This service is correct and logical method of handling this troublesome problem of placing labor when jobs are scarce, and placing men when jobs are plentiful and men scarce so as to secure fairness to all.

In this effort Georgia and South Carolina have been most fortunate in the men you have placed in the responsible positions of State director of labor and the senior examiners in charge.

Allow me to mention among the distinguished service corps, Mr. George Strongman of Savannah, Ga., Mr. Copeland of Augusta, Ga., and our own Jack M. Lehman of Charleston, S. C.

Respectfully,

F. H. HASKELL,
*Superintendent of Employment, Mason & Henger
Contracting Co., Charleston, S. C.*

We have frequently had occasion, since the establishment of your service department here, to make requisition upon you for help in our printing and bindery departments. We consider the service you are rendering very useful, and our opinion is that the employment bureau is very useful, and will continue so to be until the business conditions of the country become readjusted to new conditions.

Very truly yours,

W. T. BARRON & Co.,
Norfolk, Va.

Your service has been of material help to us during the past year; in response to our orders you have supplied us from time to time with a number of employees who were badly needed for the conduct of our business.

We thank you for your past help and trust that the employment service will be continued, as it is of great benefit to the business men of this city and section.

Yours, truly,

A. S. LEE & SONS CO. (INC.),
By CHAS. P. LEE,
Secretary, Norfolk, Va.

We wish to thank you for your efficient service in selecting us office help and we especially feel grateful to your Miss Riddick for securing us stenographers.

If it is ever possible for us to reciprocate we assure you it will afford us much pleasure.

Yours, very truly,

J. R. CALLUM CO.,
J. R. CALLUM,
Norfolk, Va.

In reference to the service rendered us in the past, we beg to say that this service has at all times been all we could ask for. Has been of great assistance to us in helping to keep our plant going during the recent scarcity of labor. We consider this service an essential proposition, and are of the opinion that it should be continued at least until conditions get normal again.

With very best wishes, we beg to remain,

Most truly,

BOSMAN & LOHMAN CO.,
By J. G. LOHMAN,
Vice President, Norfolk, Va.

This is only to express our deep appreciation of the valuable work done in our city by your "division for girls and women." The earnest and hearty cooperation has not only made our protective work more efficient, but has given us the clue to many a moral status that would have endangered the public.

Sincerely,

MABEL PRESCOTT GRANGE,
*General Secretary, Travelers Aid Society
in cooperation with War Camp Community Service, Norfolk, Va.*

We have had occasion to call on the Norfolk branch of the United States Employment Service, and have found the service prompt and efficient, as well as evidencing a personal interest in obtaining the best results in the matter at hand.

Our opinion is that it would mean a great loss to the business concerns of Norfolk and vicinity were the Norfolk branch to be discontinued, and we very much hope that the management will see fit to continue the operation of the Norfolk branch of the United States Employment Service.

Yours, very truly,

NORFOLK SAVINGS & LOAN CORPORATION,
By E. P. DESHAZO,
Secretary-Manager, Norfolk, Va.

Our experience as to the value of your organization has been extremely satisfactory. We feel that you have been a great help in obtaining employees for those various concerns that were in need, and we believe that a continuation of this work is very satisfactory, both in the interest of the employer and employee.

Yours, very truly,

NATHAN METZGER,
Cashier Church Street Bank, Norfolk, Va.

I wish to thank you and your department for the service you have rendered us in locating this branch efficient help. Also that you have been able to place parties that I have referred to you that were out of employment and whom I was unable to use in our business.

I feel that the United States Employment Service is an asset to this community, and I hope that the Government will see fit to continue this office.

Yours, truly,

NATIONAL BISCUIT Co.,
Norfolk, Va., Agency.
J. Y. MENEFFEE,
Sales Agent, Norfolk, Va.

As this job is now about completed, we wish to express to you our sincere appreciation of the most valuable services rendered to the United States Housing Corporation and to Hegeman & Harris, contractors, by the United States Employment Service through their Norfolk office.

Our records show that almost 11,000 men were delivered to this job through your office. This includes both skilled mechanics and common laborers, and both union and nonunion men.

But for the prompt and efficient service rendered by your organization, the construction of our job, which comprises the two villages of Craddock and Truxton, would have been greatly handicapped and their final completion would undoubtedly have been delayed for several months.

We trust that the United States Employment Service will be continued indefinitely as it certainly renders valuable service to contractors and to business men of this section generally.

Very truly, yours,

HEGEMAN-HARRIS Co. (INC.),
— FARNHAM,
Field Representative of Labor, Norfolk, Va.

We are glad to take this opportunity to thank you for the service that the Norfolk office of the United States Employment Service has been to this company. As you are aware, we have had several large contracts in this vicinity—Lamberts Point, Pig Point, Sewells Point, and Newport News—and in each instance your office has been of tremendous assistance to this company in securing labor, both skilled and unskilled, so that the contracts might be handled with the minimum of delay.

We have found your office willing to accept and fill both the orders for common laborers and skilled mechanics in either large or small quantities.

Yours, very truly,

JAMES STEWART & Co. (INC).
By JOHN J. HILL,
Norfolk, Va.

It gives me pleasure to testify to the great service rendered by the Norfolk office of the United States Employment Service in the way of supplying the Army supply base and the contractors engaged on this job with labor during the past 18 months. The men delivered by you to this job embraced all classes of skilled as well as unskilled labor.

Our records show that since we began work on the construction of this job that the employment service has recruited and delivered to this job more than 45,000 men.

The valuable assistance rendered by your service was an important factor in the successful accomplishment of this work, and undoubtedly its completion would have been delayed many months but for the efficient service rendered by your organization.

Yours, truly,

PORTER BROS.,
By W. A. BURDICK.
Superintendent Porter Bros. Employment Bureau, Norfolk, Va.

[First Indorsement.]

OFFICE CONSTRUCTING QUARTERMASTER,
ARMY SUPPLY BASE,
Norfolk, Va., June 24, 1919.

To United States Employment Service, Norfolk, Va.:

1. Approved. The constructing quartermaster concurs in above remarks.

WILLARD A. BUTLER,
Colonel, Quartermaster Corps, Constructing Quartermaster.

During the war period, when the labor situation was desperate, we don't know how we could have operated our plants if we had not at hand the convenience of your office.

We want to bear testimony to your helpfulness and usefulness in the past and we want to express the opinion that there is just as great need to-day for your office as there ever was in the time of the most critical labor situation.

We hope that the Government will see fit to continue the office at Norfolk, for it has deserved well of both workers and employers.

Very truly, yours,

TROY & MONTICELLO LAUNDRY Co.,
M. G. LONG,
Secretary and Treasurer, Norfolk, Va.

As a matter of courtesy and with keen appreciation for the very valuable services you have rendered us in the way of furnishing help during the past year—we take this opportunity of expressing in the fullest measure our sincere gratitude for your promptness and efficiency—and trust that your offices may be continued, as we feel that Norfolk needs such an office and such efficiency as you have at all times displayed.

Thanking you again for your kindness and with best wishes, we remain,
Sincerely, yours,

PHILIP LEVY & Co. (INC.),
Per JAMES C. GORDON,
Sales Manager, Norfolk, Va.

Your service has been of material help to us during the past year. In response to our orders you have supplied us from time to time with a number of employees who were badly needed in the conduct of our business.

We thank you for your past help and trust that the employment service will be continued, as it is of great benefit to the business men of this city and section.

Yours, truly,

ROBERT C. IRWIN, *Norfolk, Va.*

Through the women's division of the employment service, we have within the last year received material benefit and aid in that four of our employees were obtained through this agency. We feel that this division is a great benefit to the business interests of the community in general, and on our part, we would like to see it continue. The service as rendered has always been prompt and efficient, and we have come to recognize and depend upon it.

Yours, very truly,

THE POCOMOKE GUANO Co.,
R. R. ROGERS,
Assistant Secretary, Norfolk, Va.

It gives us great pleasure to bear testimony to the splendid service you have rendered us in securing additional operatives for our mills. On a number of occasions at our request you have sent us help and we trust it may be the decision of the department to maintain your office in our city, as employers of labor will be greatly benefited thereby.

Very respectfully,

NORFOLK KNITTING MILLS CORPORATION,
By W. H. CAMP, *Secretary.*

We want to take this opportunity of expressing our appreciation of the business-like way and efficient manner which you handled our inquiries for employment of all kinds during the past year.

We have had occasion to do business with your different departments in all classes of help and your office has certainly handled our inquiries to our entire satisfaction, and it gives us pleasure to tender our commendations.

Yours truly, yours,

JAMES C. COWEN,
The Goodyear Tire & Rubber Co. (Inc.).
123 West Sixty-fourth Street, New York City.

Attention of A. J. Portenar, examiner in charge.

We want at this time to commend the efforts of the Labor Bureau in providing us with help. We believe the maintenance of this bureau to be advisable in every way, as it provides a point for the assembling and the distribution of labor.

It is a great advantage when help is needed to be able to call your bureau on the telephone and advise you of our needs and to know that these requirements are being tended to from a point of supply.

Furthermore, it seems to me that it is a big advantage for labor, inasmuch as the men seeking employment do not have to travel from plant to plant to find out where labor is needed.

We sincerely trust that you will use your best efforts to have the work of this bureau continued.

Yours, very truly,

NATIONAL BRIDGE WORKS,
H. B. BOYER,
President, Long Island City.

My opinion as secretary of the Poughkeepsie Chamber of Commerce in regard to the service which the United States Employment Bureau is rendering to the working people of Poughkeepsie is as follows:

I have been watching the operations of the bureau closely since the movement was launched in this city last summer and it is my belief that position and earnest need exists for such an agency in Poughkeepsie. It was customary before the establishment of the bureau for workmen to come in great numbers to the chamber of commerce and inasmuch as we did not maintain an employment bureau they either left Poughkeepsie or were discouraged in their efforts in seeking employment. Only a limited number of these could be handled by the chamber of commerce and where there were several hundred who applied for positions it was impossible for us to more than advise them where to go.

Since the bureau has been established there has been a very small number of people calling at the chamber of commerce, and I feel that the need in this city is very great. There are too few agencies to-day existing which serve the laboring man, and by all means the United States Employment Bureau in this city should be continued. It is now organized, launched, and is managed effectively, and will do much to combat any social unrest which may come about as a result of unemployment, for there are always employers seeking employees and vice versa. The United States Employment Bureau corrects this evil.

Very truly, yours,

ALFRED JENKINS,
Secretary Poughkeepsie Chamber of Commerce.

It seems to me that the energy that is being displayed by your service is one of the encouraging factors in an employment situation that is apt, if left alone, to become serious.

Very truly, yours,

E. O. HORNER,
Employment Director the National City Bank of New York.

I wish to express my appreciation of the very excellent results I received through the use of your office.

In my estimation, based on actual experience, the United States Employment Service has proven itself the best medium for securing all kinds of labor in the quickest and cheapest way.

Thanking you for your cooperation and assuring you that we will be pleased to avail ourselves of your aid whenever we are in need of labor, we remain,

Very truly, yours,

MASON & HANGAR,
Charleston Port Terminal, Charleston, S. C.
H. L. HASSELL,
Representative.

This is to verify our conversation over the telephone to several of the United States Department of Labor offices.

We have used practically all of these offices for our stores and factories and have been very well pleased with the results with which these offices have cooperated with us in supplying our needs with various kinds of help. We shall continue to use these offices as long as they are in existence.

I believe this department is a great benefit to the public in general and to employers also.

Respectfully,

LOFT CORPORATION,
O. ENLRECT,
Manager Employment Department, New York."

We wish to thank you for your cooperation in securing all kinds of labor for our job at Dover, N. J.

After trying every other available means we found that we could fill all our wants at your office.

Assuring you of our full cooperation in the future, we remain,

Yours, very truly,

THE AUSTIN Co., *Dover, N. J.*
WILLIAM ORR, *Representative.*

We wish to state that during the past year we have employed 10 male and female employees through the United States Labor Bureau at Jay Street, Brooklyn, N. Y., and found them perfectly satisfactory.

We have found the service of the United States Labor Bureau very beneficial in supplying us with help.

Yours, very truly,

NATIONAL WAX & PAPER MFG. Co.,
Brooklyn, N. Y.

In the past year we have had occasion to ask you to supply us with labor at various times. We have found that you have used good judgment in selecting the kind of people we asked for, and we believe that your service has been of real benefit to us.

Yours, very truly,

C. KENYON COMPANY (INC.),
By JOS. J. CAUSEAN,
Employment Manager, New York City.

We have used the United States Employment Service and found it very satisfactory before and after the armistice was signed.

Very truly, yours,

ENGINEERING IRON WORKS,
MARK G. MULSTEIN,
Secretary and Treasurer, Brooklyn, N. Y.

In answer to the question whether we favor the abolishment or the sustaining of the United States Employment Service kindly allow us to say that we are heartily in favor of this work being kept up by the Federal Government.

Very truly, yours,

C. J. TAGLIABUE MFG. Co.,
H. MILKER,
General Manager, Brooklyn, N. Y.

We would like to go on record as indorsing the United States Employment Service.

The branch in this district at Fifty-second Street and Third Avenue Brooklyn, N. Y., have to our knowledge been doing excellent service for this section. They are making special efforts for placing soldiers, sailors, and marines in jobs. They have the support of employers and have a distinct place as a part of this community.

We urge that the United States Employment Service be continued. We believe in it and have done all that we could to help it along and stand ready to continue on the same lines.

THE HOME TALK PUBLISHING Co.,
W. E. JOHNSON,
Manager, Brooklyn, N. Y.

We appreciate the service your office has rendered us in securing help for us during the troublesome days we have just passed through, and we earnestly hope that your service will be continued.

We understand there is a movement on foot to abolish the United States Employment Service. We disapprove of this and think it would be a step

backward. The writer believes he voices the sentiment of many firms in this community.

Very truly, yours,

ROUCHIN-AIKEN Co. (INC.),
R. MCQUILLIN,
Manager, Brooklyn, N. Y.

To whom it may concern:

We welcome the chance to indorse the United States Employment Service. As spokesman for the community, we would resent any curtailment or retrenchment which would hamper the effectiveness of this service. The bureau at Fifty-second Street and Third Avenue, Brooklyn, is considered a local institution and is doing splendid work. We have more manufacturing in Bay Ridge than on any other given area in this country, and most certainly, in a district of this sort, do we need a Federal Employment Service.

J. H. COX PUBLISHING Co.,
Brooklyn, N. Y.

We wish to thank you for the valuable assistance you rendered to us in supplying skilled as well as clerical help. Without your cooperation we would be severely handicapped and obliged to interview a great many unnecessary applicants. This letter is submitted without solicitation and we hope that you will be able to continue securing employees for this company.

Yours, very truly,

MORSE DRY DOCK & REPAIR Co.,
Assistant Superintendent of Employment, Brooklyn, N. Y.

I think the work you are doing is a very praiseworthy one and useful in the extreme to the whole community, and I feel that it would be a great idea to make your department a permanent institution, so that employers and employees would have a medium through which to become acquainted without any social or religious influences playing any part in the selection of labor.

Very truly, yours,

W. F. QUINN,
QUINN & QUINN,
Insurance Brokers, 27 William Street, New York.

We take this means of expressing our appreciation for the kind consideration received at the hands of your representatives of your local district employment service. During the very upset state of the labor market, hinging on the war, we know that we would have had considerable difficulty in keeping the personnel of our various establishments in this city up to their requisite strength without the assistance of your department.

The writer especially commends the services rendered by Mrs. Galser and Miss Summers. While it would seem that this is carrying my letter of commendation to a personal point, at the same time our employment business was conducted largely with these two ladies, and we express our appreciation for their attendance to our needs.

Yours, very truly,

NATIONAL BISCUIT Co.,
A. M. KATLEN,
Accounting Department, New York.

We have on a number of occasions found it necessary to call upon your office to fill vacancies, both in our shop and office force, and have always received courteous attention from the people connected with your office.

We feel that your branch of the Government service could be developed into one of the strongest and most useful Government departments for both the employer and the employee.

Very truly, yours,

HOUPERT MACHINE Co.,
D. J. HEFFERSON,
Sales Department, Long Island City.

The United States Employment Service has been very helpful to us during the last six months in the procuring of help for our various needs. It was especially so during the war days when help was almost impossible to get. It is proving itself very valuable to-day, and we believe that this service should be continued.

Yours, very truly,

BRUNSWICK BALKE COLLENDER Co.,
Per SILVERMAN, *New York.*

We are very much in favor of having the United States Employment Service made a permanent bureau of the Department of Labor. The Employment Service has demonstrated that it is of great value to the workers of the country in assisting them to jobs without cost, and at the same time is doing good work in assisting the employers in securing efficient help promptly without charge. The establishment of this service would, in a large measure, do away with the manifest evils of the private employment agencies, which exploit both the employers and the workers of the country out of innumerable millions every year.

In view of the above we trust that you will do all you can to have the United States Employment Service made a permanent Government establishment such as in the foremost countries of the world.

Robert P. Levis, attorney, 210 West One hundred and tenth Street; Ward T. Clute, 252 West One hundred and second Street; James J. Sullivan, lawyer, 26 Nassau Street; James W. Thompson, engineer, 368 West One hundred and seventeenth Street; Nettie R. Shuler, 400 Riverside Drive; Lestey W. Bond, 419 West One hundred and fifteenth Street; J. A. Adams, lawyer, 249 West One hundred and fourth Street; Ludwig Hoffman, 862 Amsterdam Avenue; Joseph S. Gilbert, 212 West One hundred and sixth Street; Samuel A. Lake, 1010 Amsterdam Avenue; N. Scillerl, lawyer, 27 Cedar Street; Harry Cohen, merchant, 103 West Forty-second Street; Max Greenwald, merchant, 720 Riverside Drive; F. V. Cornillis, 63 West One hundred and ninth Street; Samuel Levitt, lawyer, 315 West One hundred and thirteenth Street; Wm. C. Anoes, 250 West Tenth Street; Wm. Waller, 210 West One hundred and ninth Street; T. A. Gilbert, E. P. A., 235 West One hundred and ninth Street; David S. Lende, 500 West One hundred and fourteenth Street; Robert Jacobs, salesman, 102 West One hundred and ninth Street; H. W. Goldberg, lawyer, 141 Broadway; Harry Boon, broker, 254 Manhattan Street; Jacob Drucker, 371 West One hundred and sixteenth Street; Albert Altman, lawyer, 25 Broadway; W. Wilkmen, barber, 609 West One hundred and fifteenth Street; Samuel Strassberger, lawyer, 561 West One hundred and thirteenth Street.

During the past few months we have several times had occasion to call on your office for assistance in obtaining help. We do not hesitate to certify that our requests apparently received a very careful and intelligent handling. You have supplied us with some competent people, and our experience with your service has been such that we expect to call upon you in future whenever we have positions to fill.

Very truly, yours,

PARKE, DAVIS & Co.,
Per W. W. O., *New York City.*

May I take this opportunity to thank you for your indispensable aid in helping us place the returned soldiers and sailors in suitable positions?

We greatly appreciate your work and sincerely thank you for your cooperation.

Very truly, yours,

BROOKLYN VICTORY CELEBRATION COMMITTEE,
JOHN J. DELANEY, *Chairman, 32 Court Street.*

I am very glad indeed to take this opportunity to tell you just what the United States Employment Service has meant to me in my work as personnel secretary for this firm.

I feel, in the first place, a great reluctance to use paid employment agencies when these we are employing have to pay a stiff fee for the same position that might have been obtained through the Government agency free of charge. The employment problem, the placing of people to jobs and jobs to people, seems to me to be fundamentally a public question, and it is a public-service proposition, one which the public in general should pay for and maintain. When employers can not get people for the positions they have open, it usually means that the public in general suffers, and when there are a great number of unemployed the public in general also suffers.

Any agency which extracts a fee from its victims is, of course, eager in most cases to make as high labor turnover as possible; for by placing one person three or four times a year in different positions their fees will be higher than though the labor turnover were only a third or a quarter as great. A large labor turnover means a waste to the public as well as to the employer and employee.

The United States Employment Service is young. That means, of course, it does not run smoothly or with the highest grade of efficiency in all its branches. I have found, however, that the work they did for me in filling the calls I have placed with them was so satisfactory that I have not had to use paid agencies at all except for one or two special kinds of positions for which help was obtained with great difficulty. I have been particularly pleased with a few of the placement secretaries connected with the service in the city of New York and one in Brooklyn, and I should like to commend especially the services of yourself, Miss Roe, Mrs. Marsh, Miss Bartholew, of 512 Third Avenue; Mrs. Gaiser, of 363 East One hundred and forty-ninth Street; and Mrs. Holl, of 310 Jay Street, Brooklyn. The absence of red tape in dealing with this branch of the service is especially appreciated. To my mind, if a similar arrangement could be made with the professional division of the service, it would greatly help employers. It is especially advisable to place calls directly with the person who is to fill them, so that intelligent placing can be done from the very beginning and we will not waste the time of applicants who are obviously unsuited to the position.

Let me thank you again for the help you have given me in the past months. I earnestly hope that the United States Employment Service will be able to continue its good work.

Very sincerely, yours,

ROBT. H. INGERSOLL & BRO.,
New York.

We wish to express our appreciation of the excellent service you have given us, in providing so intelligently the workers whom we have needed. It has been a pleasure to call upon you for employees and to know that our need would be filled as adequately as your applicants would allow.

It has been our good fortune to obtain some excellent workers.

You are, indeed, accomplishing a most helpful work for the great army of the unemployed.

Very truly, yours,

BONWIT TELLER & Co.,
FRED A. TAYLOR,
Vice President, New York.

With the understanding that Congress is about to undertake legislation which may result in the permanency of the United States Employment Service as an establishment, I write in this connection an expression of the attitude of this company toward the service.

Personally I have had experience with the United States Employment Service since its inception, both in Wilmington, Del., and in Washington, D. C., and it is my sincere belief that the country at large and individually has greatly profited through its existence. Without it, the present great army of the "jobless" would be put to great inconvenience in connecting themselves with proper employment and from the viewpoint of the employer the value of the service is almost incalculable.

The service has done remarkably fine work, and there is no question that still better work can be accomplished if the operations of the service are financed

for extension and for its advertisement. From my experience in New York City I know it to be a fact that the Government's work along these lines are not generally known nor understood, and from my interest in this work I have daily directed to you numbers of discharged soldiers and others who are blindly seeking employment without knowing that the job for them exists and that they can be connected with it through the medium of the service. Even if the present war emergency did not exist, the service would be most valuable in securing efficient employees without charge to the employer or to the worker.

I hope that effort can be made to have the employment service continue as a Government establishment. If further expression from this company will assist in the effort, please call upon us.

Very truly, yours,

GEORGE BATTEN Co.,
J. M. REED,
New York, N. Y.

This is to express my thanks for your ever ready cooperation in the way of helping to solve the problem for the unemployed ones. I assure you that it has been appreciated to its full value by

Yours, very truly,

HOTEL ASSOCIATION OF NEW YORK CITY.
E. J. BARTER.

I understand that the question is under debate as to whether the United States Employment Service should be continued or not. Since I represent in the labor market a company which is a large employer, I feel that it would not be amiss for me to state my attitude toward this question.

The United States Employment Service has been of inestimable value during the war time in helping to steady the labor situation, and it seems to me that it would be distinctly a retrogression if it is discontinued now when we are on the threshold of a period of reconstruction which holds possibilities of great success and progress for our Nation, or a condition of standstill or even failure to a certain extent, according as we provide for, and handle the working people who are after all the backbone of the Nation.

The service has been of great benefit to the working people, and it has also proved itself of real advantage to employers. The case of need which brought about its existence has changed in character, but has not abated in any way, and I can not see any good reason why an institution which has been so useful should be discontinued.

Faithfully, yours,

J. C. VANDER PYL,
Employment Supervisor American Hard Rubber Co.,
College Point, N. Y.

Your service has been of material help to us during the past year, and in response to our request, you supplied us, from time to time, with a number of employees who were needed. We thank you for the past help, as we found the service very beneficial, and trust the service will be continued.

Very truly, yours,

C. P. DUGAN,
Superintendent Transportation,
United States Railroad Administration,
Norfolk, Va.

I understand there is a possibility of your office being discontinued, and I wish to say that I hope some way will be devised whereby such action will not be taken.

During the past year I have had occasion to call on your office a number of times for assistance, and I have not yet been disappointed. I think such an office is an absolute necessity in Norfolk, and, as above stated, I hope that it can be continued.

Yours, very truly,

W. A. PARKER,
Secy. & Treas. Farmers Guano Co., Norfolk, Va.

I feel that I can not too heartily thank you and your associates for the splendid cooperation your office has given me during the past two years. In my efforts to assist people in destitute circumstances, where the need was employment, I do not think you have ever failed me, where the person was physically able at all to work.

I most sincerely hope that this service under United States Government control is to continue. It seems to me that you are able to do this vitally needed work so much more efficiently than any private agency could possibly do it. Here is a central place where employer and employee can be brought together and both secure promptly what they need, and the pressure brought to bear where needed. This has been done without politics or exploitation of either party concerned, as only a service under United States Government control can do it.

For the uniform courtesy to all that has characterized all the dealings of your office, I am sure many thousands thank you. Anything I can do at any time to assist you will be a pleasure. God bless you.

Yours, for the Master's service,

GEO. GARLAND,
Commandant, Norfolk, Va.

Your service has been of material help to us during the past year. In response to our orders you have supplied me from time to time with a number of employees who were badly needed for the conduct of our business.

We thank you for your past help and trust that the Employment Service will be continued, as it is of great benefit to the business men of this city and section.

Yours, very truly,

RAYMOND CONCRETE PILE Co.,
Norfolk, Va.
I. C. CORWIN, *Superintendent.*

We wish to thank you for the services rendered us in securing carpenters from Baltimore. We assure you that your personal interest in this matter is appreciated, and we wish to say that your department has rendered us very much service during the prosecution of our work in your district, and we feel that the department you are the superintendent of is one of the most important branches of the Government service in this district, as we contractors would be very much handicapped in securing labor without your assistance, and we hope that the Government will see fit to continue this service and to continue you as superintendent for this district.

Yours, very truly,

E. W. INGE,
*Superintendent for Receiver, Dawson Construction Co.,
Portsmouth, Va.*

From: Constructing quartermaster, Suffolk, Va.
To: United States Labor Department, Norfolk, Va.
Subject: United States Labor Department.

1. Complying with your request, we are glad to advise you that your department furnished us prompt and efficient service in securing help for this work. As you know, our work is practically completed. If we had other construction work in this district we would be glad to see your organization remain intact and continue to serve us.

B. F. VANDERVOET,
Captain Engineers, Constructing Quartermaster.

I heartily indorse the good work done by the United States Employment Service in Norfolk in furnishing men to various industries.

The city of Norfolk has been furnished men in the street department from your office in large numbers.

I trust the service will be continued indefinitely.

Very truly, yours,

CHARLES F. ASHBURNER,
City Manager, Norfolk, Va.

It affords me a great deal of pleasure to offer testimony to the efficiency and value to this community, to the unemployed, and to the employer of the United States Employment Service.

The work here has been conspicuously successful and is a distinct tribute to those charged with its direction.

Very truly, yours,

H. M. KERR, *President, Norfolk, Va.*

The value of your services in bringing together the unemployed and the employer, especially at this time when so many of our young men are coming out of the service, suggests the inadvisability of discontinuing this service.

We desire further to assure you of our appreciation of the prompt response you have made to our appeals in assisting us in securing such employees as we have needed from time to time, and sincerely trust that the Government will see fit to continue this service.

We are yours, very truly,

AMES & BROWNLEY (INC.),
J. H. BROWNLEY,
Vice President, Norfolk, Va.

Mr. HALL. The following mayors have indorsed the United States Employment Service:

A. N. Aldrich, mayor, Aberdeen, S. Dak.
W. A. Bradbury, mayor, Idaho Falls, Idaho.
W. G. Benbrook, mayor, Natches, Miss.
Geo. L. Baker, mayor, Portland, Oreg.
William O. Bradley, mayor, Galesburg, Ill.
J. E. Bradley, mayor, Canton, Ill.
E. F. Bradford, mayor, Ottawa, Ill.
A. L. Bumgarten, mayor, Sedalia, Mo.
F. A. Baxter, mayor, Superior, Wis.
Henry G. Brislin, mayor, Rutland, Vt.
George W. Burnside, mayor, Sioux Falls, S. Dak.
Martin Behrman, mayor, New Orleans, La.
G. M. Blakeslee, acting mayor, Lewiston, Ill.
William C. Barber, mayor, Detroit, Mich.
James Couzens, mayor, Detroit, Mich.
A. M. Dixon, mayor, Gastonia, N. C.
Hon. Frederick W. Donnelly, mayor, Trenton, N. J.
John M. Dabney, mayor, Meridian, Miss.
Joseph Fisher, mayor, Marinette, Wis.
J. W. Floyd, mayor, Spartanburg, S. C.
J. W. Ferle, mayor, Lansing, Mich.
Frank H. Foss, mayor, Fitchburg, Mass.
Albert Fohrman, mayor, Elgin, Ill.
R. W. Gorrell, mayor, Winston-Salem, N. C.
Mayor Gainer, Providence, R. I.
H. V. Harvley, mayor, Greenville, S. C.
J. J. Hayes, mayor, Vicksburg, Miss.
Charles H. Haydon, mayor, Gulfport, Miss.
R. F. Hamilton, mayor, Deming, N. Mex.
E. E. Jones, mayor, Bloomington, Ill.
James I. Johnson, mayor, Raleigh, N. C.
Mayor Kirby, Abilene, Tex.
Henry W. Kiel, mayor, St. Louis, Mo.
E. M. Kelley, mayor, Texarkana, Ark.
John W. Lawson, mayor, Wilmington, Del.
Mayor, Eau Claire, Wis.
P. Q. Moore, mayor, Wilmington, N. C.
F. R. McFinch, mayor, Charlotte, N. C.
John E. Miller, mayor, Lincoln, Nebr.
Hugh McCann, mayor, Oglesby, Ill.
T. G. McCollum, mayor, Laurel, Miss.

W. J. Nichols, mayor, Texarkana, Tex.
 J. S. Osborne, mayor, Joplin, Mo.
 H. M. Orr, mayor, La Salle, Ill.
 Andrew J. Peters, mayor, Boston, Mass.
 D. M. Pixley, mayor, North Little Rock, Ark.
 J. E. Rankin, mayor, Asheville, N. C.
 George F. Rearick, mayor, Danville, Ill.
 John I. Sell, mayor, Wausau, Wis.
 C. O. Stahlman, mayor, Bluefield, W. Va.
 Mayor Smith, Omaha, Nebr.
 Walter A. Scott, mayor, Jackson, Miss.
 S. M. Sauvage, mayor, Alton, Ill.
 Murray M. Stewart, mayor, Savannah, Ga.
 Frank Wozencraft, mayor, Dallas, Tex.
 Mayor Wooldridge, Austin, Tex.

The following are copies of letters from the representatives of governors of States in attendance at the conference on employment, held in Washington on April 23, 24, and 25, 1919, which formulated the Kenyon-Nolan bills, S. 1442 and H. R. 4305. They are from the following delegates:

John P. McLaughlin, State labor commissioner of California, representing Gov. Stephens, of California.

James R. Noland, secretary of state, Denver, Colo., representing Gov. Shoup, of Colorado.

Prof. F. S. Delbler, member Illinois State advisory board, representing Gov. Lowden, of Illinois.

J. H. Crawford, State commissioner of labor, Topeka, Kans., representing Gov. Allen, of Kansas.

Charles F. Gettemy, State commissioner of labor statistics of Massachusetts, representing Gov. Coolidge, of Massachusetts.

Bernard L. Shientag, counsel, New York State Industrial Commission, representing Gov. Smith, of New York.

W. H. Fitzgerald, deputy State labor commissioner, Portland, Oreg., representing Gov. Wolcott, of Oregon.

John D. Frost, assistant adjutant general of South Carolina, representing Gov. Cooper, of South Carolina.

George H. Auerback, member Utah council of defense and chairman employment committee, representing Gov. Bamberger, of Utah.

C. R. Kelley, executive secretary Virginia State council of defense, Richmond, Va., representing Gov. Davis, of Virginia.

L. L. Westfall, Spokane, Wash., representing Acting Gov. Hart, of Washington.

J. L. Pauley, secretary State Federation of Labor, Charleston, W. Va., representing Gov. Cornwell, of West Virginia.

Harry C. Hoffman, State commissioner of labor of Wyoming, representing Gov. Carey, of Wyoming.

Claude E. Connally, State commissioner of labor of Oklahoma and Federal director, United States Employment Service, representing Gov. Robertson, of Oklahoma.

H. W. Lewis, State labor commissioner of Texas and Federal director, United States Employment Service, representing Gov. Hobby, of Texas.

John Hirschberg, commissioner of labor of Virginia, representing Gov. Davis, of Virginia.

BUREAU OF LABOR STATISTICS OF THE STATE OF CALIFORNIA,
San Francisco, June 21, 1919.

MR. JOHN B. DENSMORE,
Director General United States Employment Service,
Washington, D. C.

DEAR SIR: Permit me to acknowledge receipt of yours of June 6, inclosing copy of H. R. 4305, introduced in the House of Representatives May 31, 1919, by Mr. Nolan, said bill providing for the establishment of a national employment system cooperating with the several States.

It is in line with the views expressed at the recent conference held in Washington, and I sincerely hope that the bill will be passed at an early date and the work of the employment service throughout the country be continued without serious interruption.

Respectfully,

JOHN P. McLAUGHLIN,
Commissioner.

STATE OF COLORADO,
Denver, Colo., July 15, 1919.

Mr. J. B. DENSMORE,
Director General United States Department of Labor,
Washington, D. C.

MY DEAR SIR: Replying to your inquiry concerning my views as to the merits of H. R. 4305, will say that as a general proposition the measure is quite satisfactory. Frankly speaking, I think it might have been more clearly drawn, but the substance is there.

If the Members of Congress could know the real worth of the work that has been and is being done by this department I am sure they would not hesitate to make an adequate appropriation. With personal high regards,

Sincerely, yours,

JAMES R. NOLAND,
Secretary of State.

NORTHWESTERN UNIVERSITY,
COLLEGE OF LIBERAL ARTS,
Evanston, Ill., July 16, 1919.

Mr. J. B. DENSMORE,
Washington, D. C.

DEAR SIR: I have your letter of July 9, concerning my position on the Kenyon-Nolan bill. In view of the fact that I was one of the committee of five appointed by the conference held in your office April 23-25, to draft the views of the conference into a bill, I am personally in favor of the bill. A cooperative State-Federal employment system is a very important need. Unless there is a national system it will not be possible to have a well-organized labor market. We should know labor conditions from one end of the country to the other. Such information can not come to hand unless all the employment offices in the various States are coordinated into one system. This the Kenyon-Nolan bill endeavors to do.

I personally regret that the bill does not carry a provision which the committee that drafted the bill for the conference included in its recommendations. I refer to the provision for an advisory board made up of an equal number of representatives of employers and of employees with one representative of the public. Two reasons exist for such a body:

First. The Employment Service needs for its success the confidence of both employers and employees in a manner that no other Government service does. Such confidence, I believe, can be had if the policies of the national system are laid out at the time they are being initiated before the two parties most affected by the operation of the offices.

Second. Such a body, while not in itself fitted to make uniform rules to govern the operation of the offices in the various States, would be a body to which the officials in the States who were called upon to put the rules into effect, could appeal in case the rules worked a hardship in a given State. There is a strong sentiment among State officials that rules and regulations made wholly in Washington by one man may be difficult to apply. This board would, I feel, furnish some protection against the fear, however well founded, of bureaucracy.

With this exception I am heartily in favor of the bill, and have written my Congressman to that effect.

Very truly, yours,

F. S. DEIBLER.

STATE OF KANSAS,
DEPARTMENT OF LABOR AND INDUSTRY,
Topeka, Kans., July 14, 1919.

Mr. J. B. DENSMORE,
Director General United States Department of Labor,
Washington, D. C.

DEAR SIR: In reply to your inquiry of July 9, as to whether or not I approve of the general plan of a cooperative State-Federal employment system, which is embodied in the Kenyon-Nolan bill, would say that I have always favored such a system, believing it could be handled more successfully under State direction.

However, as I have not been favored with a copy of either the Kenyon or Nolan bill, I am unable to offer either my approval or disapproval of it. Upon receipt of a copy of each of these bills I shall be glad to look them over and inform you and the Kansas Representatives in Congress of my position regarding the bill.

Yours, very truly,

J. H. CRAWFORD,
Commissioner of Labor.

STATE OF KANSAS,
DEPARTMENT OF LABOR AND INDUSTRY,
Topeka, Kans., July 25, 1919.

Mr. J. B. DENSMORE,
Director General United States Employment Service,
Washington, D. C.

DEAR SIR: Your letter of July 18, to which was attached typewritten copies of the Nolan and Kenyon bills, received. I have not as yet had time to go into the matter fairly, but in my judgment either of the bills would be satisfactory, and I believe one should be passed.

I understand they conform to the outline agreed upon at our earlier Washington conference and provide that employment within the State shall be under State control when the State shall have complied with the requirements of the bill.

Yours, very truly,

J. H. CRAWFORD,
Labor Commissioner.

THE COMMONWEALTH OF MASSACHUSETTS,
BUREAU OF STATISTICS,
Boston, July 14, 1919.

Mr. J. B. DENSMORE,
Director General United States Employment Service,
Washington, D. C.

DEAR SIR: Replying to your favor of the 9th instant, I beg to advise that I believe I can say, as one who participated in drawing the bill upon which the legislation now pending in Congress has been based, that I approve of the general plan of a cooperative State-Federal employment system as therein embodied as being probably the best which can be devised under the circumstances, and if passed I trust that it will work out satisfactorily.

Very truly, yours,

CHARLES F. GETTEMY,
Director.

STATE OF NEW YORK,
DEPARTMENT OF LABOR INDUSTRIAL COMMISSION,
New York City, July 12, 1919.

Hon. J. B. DENSMORE,
Director General United States Employment Service,
Washington, D. C.

DEAR SIR: Replying to your letter of July 9, I would say that I certainly do approve of the general plan of a cooperative State-Federal employment system, which is embodied in the Kenyon-Nolan bill.

There are a number of changes in the bill, however, some of which are rather important and which the State industrial commission believes should be made. Commissioner Sayer will present the views of the commission on these matters at the hearing to be held in Washington on Monday.

Very truly, yours,

BERNARD L. SHIENTAG.

STATE OF OREGON
BUREAU OF LABOR,
Portland, Oreg., July 21, 1919.

Hon. J. B. DENSMORE,
*Director General United States Employment Service,
Washington, D. C.*

DEAR SIR: I desire to assure you that the Kenyon-Nolan bill providing for a State-Federal employment service has my hearty approval, and I have taken occasion to take the matter up with the congressional delegation from Oregon. Two of them, Senator McNary and Congressman McArthur, promised support to the measure before I left Washington.

Yours, very truly,

W. H. FITZGERALD.

STATE OF SOUTH CAROLINA,
ADJUTANT GENERAL'S OFFICE,
Columbia, S. C., June 19, 1919.

Hon. J. B. DENSMORE,
*Director General United States Department of Labor,
Washington, D. C.*

DEAR SIR: Replying to your letter of June 6, beg to advise that as State representative of our meeting held in Washington, D. C., 24th, 25th, and 26th, at which meeting I had the pleasure of making your acquaintance, beg to advise that I have written an urgent letter to the Senators and Representatives from this State, urging them of the passage of House of Representatives bill 4305.

Hoping to have the pleasure of seeing you at some future date.

I am inclosing a copy of letter written to the Representatives of this State.

Very truly, yours,

JOHN D. FROST.

G. Fox & Co.,
Hartford, Conn., July 26, 1919.

Mr. J. B. DENSMORE,
*United States Department of Labor,
Employment Service, Washington, D. C.*

DEAR SIR: Referring to your letter of July 9, regarding the Nolan bill and the Kenyon bill, desire to say that I am heartily in favor of same and shall be pleased to take whatever action will be of assistance in having the bill passed.

I was appointed delegate to the conference in July, but was unable to attend on account of having severed my business connections in Salt Lake City, having tendered my resignation as chairman of the employment bureau to the council of defense. If I can be of assistance to you, please do not hesitate to call upon me.

Yours, very truly,

GEO. W. AUERBACK.

COMMONWEALTH OF VIRGINIA,
COUNCIL OF DEFENSE,
Richmond, Va., July 18, 1919.

Mr. J. B. DENSMORE,
*Director General United States Employment Service,
Washington, D. C.*

MY DEAR MR. DENSMORE: Replying to your letter of July 9. The Kenyon-Nolan bill (H. R. 4305) embodies not only the thought of a majority of the delegates to the conference called by Mr. Wilson and yourself, but was the result of the unanimous judgment of our subcommittee, which formed the bill. As you will, of

course, recall, we did not presume to include the sums necessary for the conduct of the service, but we did embody the principles in a resolution which your expert draftsman put into bill form.

The only part of our recommendation not in the draft was the matter of an advisory committee, about which none of us was particularly keen, and I am sure that not one of the subcommittee felt in the least aggrieved at its exclusion.

I heartily indorse the bill and have so notified our Senators and Representatives. I think it gives an excellent foundation for a lasting and developing co-operative employment service, in the conduct of which the Nation and the States may work together harmoniously and with definite promise of success.

Cordially, yours,

C. R. KEILEY,
Federal Field Secretary.

SPOKANE, WASH., July 17, 1919.

MR. J. B. DENSMORE,
*Director General, United States Employment Service,
Department of Labor, Washington, D. C.*

DEAR MR. DENSMORE: I have yours of the 9th instant, on the subject involved in the conference of April 23-25, held in your department, to which I was a delegate.

I received the copy of H. R. 4503, mailed to me on June 6. The bill followed the lines as agreed upon by the conference and to which I assented. The bill is quite satisfactory to me and has my approval.

I made my report to the governor of my State as to what had been done at the conference, taking it for granted that he was in sympathy with the movement, otherwise he would not have wanted to be represented. If you have in your office an extra copy of the bill, I would like to send the one I have to the governor and have it replaced by one for my files. I think I might get some expression from the governor that possibly would aid in getting the support of our congressional delegation.

I note that a similar bill was introduced in the Senate by the Hon. William S. Kenyon. It has been my experience as a legislator that to introduce a bill in each house has a deleterious effect. I had that experience personally in the last legislature, wherein I introduced a bill in one house which was readily passed and sent to the other house. Unbeknown to me a similar bill was introduced in the other house and came across and was referred to the committee that had passed on the other bill. The committee in each house delayed acting on the bill from the other, assuming that the very fact that they had passed a bill was evidence that they would pass the bill of the other. The result was that both bills died in committee in the other house.

After you have determined which bill you wish to stand upon, if you will inform me as to who is the chairman of the committee, I would be glad to communicate with him; also with the members of our State delegation.

Anything further that you wish me to do in the aid of the legislation, kindly let me know and I will do anything that I can, as I personally favor the idea very much.

Very truly, yours,

L. L. WESTFALL.

WEST VIRGINIA STATE FEDERATION OF LABOR,
Charlestown, W. Va., July 15, 1919.

HON. J. B. DENSMORE,
Washington, D. C.

DEAR SIR: Yours of recent date received, and will say in reply that I heartily approve of the Kenyon-Nolan bill, and have asked the Senators and Representatives of this State to support same. I have also asked the various organizations of labor in the State to do likewise.

Hoping for success with the bill, and with regards, I am,

Very truly, yours,

J. L. PAULEY.

THE STATE OF WYOMING,
COMMISSIONER OF LABOR AND STATISTICS,
Cheyenne, Wyo., July 18, 1919.

Mr. J. B. DENSMORE,
*Director General United States Employment Service,
Washington, D. C.*

DEAR SIR: As a delegate to the conference of employment-service officials and representatives of State governments, held in Washington, D. C., April 23-25, assure you I am in entire sympathy of a cooperative State-Federal employment system, which is embodied in the Kenyon-Nolan bill, and am writing this State's representatives at Washington to that effect.

Very truly, yours,

HARRY C. HOFFMAN,
Commissioner of Labor and Statistics.

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Oklahoma City, Okla., July 15, 1919.

From: Federal director for Oklahoma.

To: Director General United States Employment Service, Washington, D. C.

Subject: H. R. 4305.

1. Replying to your communication dated July 9 relative to H. R. 4305, the same being a bill having for its purpose the establishment of a national employment system in cooperation with the States, which has been introduced in the House of Representatives by Hon. John I. Nolan, and which was based upon the outline of the bill adopted at the conference in Washington April 23, 24, and 25, to which I was a delegate, I have to advise that the general idea of this legislation meets with my very cordial approval.

2. There is no question but what the general plan outlined in this legislation for a cooperative Federal-State employment system, as embodied in the Kenyon-Nolan bill, will go a long way toward solving some of the difficult employment problems existing to-day.

CLAUDE E. CONNALLY,
Federal Director.

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Oklahoma City, Okla., July 18, 1919.

From: Federal director, Oklahoma.

To: Director General United States Employment Service, Washington, D. C.

Subject: H. R. 4305.

1. Supplementing my communication to you on July 15 relative to the above subject, after due consideration it occurs that according to the provision in the Kenyon-Nolan bill that it is possible for a State to be deprived of the allotment of Federal appropriation for failure to comply with Federal standards and regulations without a hearing by the Secretary of Labor. It occurs that serious complications might arise unless this provision was modified or stricken from the bill.

2. It occurs also that the provisions of the payment of the Federal allotment for State employment offices to the officer or board in charge of the State employment work instead of the State treasurer, as provided in the Kenyon-Nolan bill, would be a very desirable and necessary amendment. On page 6 of the Kenyon-Nolan bill, line 18, the language is: "Provided, That pending the conclusion of such agreement and for not more than six months the Secretary of Labor may maintain in any such State a system of public employment offices under the control of the Director General of the United States Employment Service." We understand this to mean that in the State of Oklahoma, where there is a State system of public offices, that the Secretary of Labor is authorized to maintain an independent system of employment offices; in other words, it is our understanding that the Secretary of Labor by this provision would establish a system of public employment offices under the control of the Director General of the United States Employment Service for

a period of six month without consulting the officer or board in charge of the State employment work in the State of Oklahoma.

3. This provision, it seems, is of doubtful value in so far as strengthening the bill itself is concerned and does leave some doubt as to the reason for its inclusion in the bill.

4. In conclusion permit me to say again that the general plan outlined in this legislation for a cooperative Federal-State employment system is good, and with the possible exceptions herein enumerated would undoubtedly be fair and acceptable in so far as the State of Oklahoma is concerned.

CLAUDE E. CONNALLY,
Federal Director.

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
San Antonio, Tex., July 15, 1919.

Hon. J. B. DENSMORE,
*Director General, United States Employment Service,
Washington, D. C.*

MY DEAR MR. DENSMORE: The writer has had the pleasure of reading and considering H. R. 4305, as introduced by Hon. John I. Nolan, May 31, 1919, having as its object the creation of a National Federal employment system operated in cooperation with States and municipalities. It is understood that a similar bill has been introduced in the Senate by Hon. William S. Kenyon.

As the writer was present representing Gov. W. P. Hobby, of Texas, at the national meeting of governors or their representatives, held at Washington, D. C., April 23, 24, and 25, 1919, for the purpose of considering the advisability of creating a permanent national employment service for men and women, cooperatively managed by Federal Government, State, and municipalities, and as he assisted in drafting resolutions that would meet with the approval of the assembly, he takes the liberty to write you to voice his approval of the Kenyon-Nolan bill as introduced and to advise that, from the expressions received from the governors' representatives present at the previously mentioned conference with whom the writer talked, he is firmly of the opinion that the Kenyon-Nolan bill as introduced will meet with the approval of all concerned. You will please be advised that the bill meets with the entire approval of the undersigned, and am quite sure that it meets with the approval of Gov. Hobby; at least he so expressed himself recently.

For the good of all mankind it is hoped that the bill herein mentioned passes without alteration.

Yours, very truly,

H. W. LEWIS,
Representative of Gov. Hobby.

COMMONWEALTH OF VIRGINIA,
BUREAU OF LABOR AND INDUSTRIAL
STATISTICS COMMISSIONER'S OFFICE,
Richmond, Va., July 14, 1919.

Mr. J. B. DENSMORE,
*Director General United States Employment of Labor,
Washington, D. C.*

DEAR SIR: I write in reference to H. R. 4305, introduced by Hon. John I. Nolan, and also a similar bill introduced in the Senate by Hon. William S. Kenyon.

The Kenyon-Nolan bill has my approval, and I do hope that Congress may see its way clear to pass this bill in its entirety, as I believe and know it is the best possible way to conduct an employment system.

Respectfully,

JOHN HIRSCHBERG,
Commissioner of Labor.

Mr. HALL. I also desire to file a statement of Hon. R. C. Davison, of the British Ministry of Labor, which tells something of the working of Great Britain's public employment service, and also comments upon the United States Employment Service.

(The statement above referred to is printed in the record in full as follows:)

STATEMENT OF HON. H. C. DAVISON, OF BRITISH MINISTRY OF LABOR.

Mr. DAVISON. Great Britain's public employment service, established 10 years ago, is standing her in good stead now in her industrial readjustment. The British Government's labor exchanges have had entire charge of the labor feature of our industrial resettlement. Since the war began in 1914 we have increased our national employment service by 60 or 70 main offices. When the armistice was signed and our employment service was charged with the carrying out of the industrial demobilization and the replacement of soldiers, our service was increased in facilities and personnel about 300 per cent. We now have about 400 main offices and 1,200 branch offices throughout the United Kingdom, with a personnel of about 20,000. Before the war we were placing nearly 1,000,000 persons a year; since then the placements have greatly increased.

The value of its national employment service has been amply demonstrated to England during the past decade of its existence, and whatever criticisms are made of it one does not hear it charged that the service is unnecessary; it has shown its practical value in the following chief ways:

1. It has kept the fingers of the Government on the pulse of industry and employment as could be done in no other way.

2. It has been able to effect an economy in time and labor, the time saved in the passage of workers from one job to another amounting to many thousands of days of each year.

3. It has improved the distribution of labor and reduced the wastage due to labor turnover by maintaining a free employment office in each district where employers can list their labor needs and workers can learn of opportunities of employment. This gives a broader area of selection or choice to both employer and worker.

4. The law in England prohibits the private fee-charging labor agency except as regards domestic servants, and any worker, man or woman, unskilled, skilled, and professional, has the opportunity of obtaining assistance to employment from the Government without any cost to him or her or to the employer.

England can learn something from the United States Employment Service, particularly in the physical "layout" of its employment offices and in the provision of adequate quarters where applicants are treated with consideration. The American system of interviewing applicants for employment by examiners at separate desks is especially good.

When one considers the fact that your national employment system had to be installed suddenly and throughout the country at the same time and function while it was building, America has done a remarkably good job. The size of this country makes the operation of a national employment service more difficult than in England.

Mr. HALL. I also desire to place in the record a letter from a large employer of labor, and vice president of one of the largest industrial plants in the country, written to Representative James W. Good,

chairman of the House Committee on Appropriations, who for the past six months has been working as a laborer in the industrial establishments of various kinds to learn at first hand the sentiment of the workers, the letter appearing in the New York World of Sunday, June 29, 1918.

(The letter above referred to was printed in the record in full, as follows:)

MY DEAR SIR: As a result of my experiences of the past few months I find myself greatly interested in the question of the future of the United States Employment Service, as now being considered by you and your committee.

I am an employer of labor. In order to get the viewpoint of the country's workers I have been working as a laborer under an alias in several plants and factories. My observations to date seem to me pertinent to the question now before you. In a word, they are this: The difference between Americanism and Bolshevism is the difference between having a job and not having one. To an extent which no one can conceive who has not himself walked the streets for work, the axle on which the whole world turns for the working man is the job. As long as he can enjoy his three meals a day and think of his own and his family's future with some certainty, he is a self-respecting citizen, and all this stuff about unrest is of less interest to him than his employer. But when he is out of a job, then the axle of his world is "busted," its jagged slivers enter and cut his self-respect and his very soul to pieces.

To be strong of mind and body, willing to work and work hard, to walk and walk and ask and entreat and find no work, nowhere, to hear the curses of those who are less hopeful than you, because they have walked longer, and to see your purse making a thinner and thinner wall between you and hoarse and hollow-chested bumland—that is enough to try the most reasonable man's faith in his country and its institutions, all of them.

This fact is well known to the radical agitators. In their meeting I have heard them urge redoubled efforts to enroll new members before these men now out of work get jobs and so close their minds to our gospel. As you, of course, know, thousands of employers are devising methods for improving working conditions in their plants, many instituting shop committees, profit sharing, etc. These are all good things. But they are not the frosting on the cake. The whole thing starts with a job. That is what holds the whole thing together.

The biggest single piece of insurance against Bolshevism that this country can think about just now is a Nation-wide organization for bringing 100 per cent of the jobs available into connection with the men who need them for their daily bread and butter.

Mr. HALL. I also wish to file an excerpt from the speech of Secretary of War Baker to the conference of governors and mayors at the White House on March 3, 1919.

(The excerpt from the speech above referred to is printed in the record, as follows:)

Now, I have laid out to you the two elements of this problem. The War Department, as I have said to you, is deeply interested in these soldiers finding jobs. The agency par excellence of agencies for the determination of that question of work along that line is the Secretary of Labor. The War Department is not undertaking any independent employment activities, but is working under the direction of and in cooperation and coordination with the Secretary of Labor, who is our chief in that matter. [Applause.]

There are two more agencies with which the War Department is directly associated that have to do with this problem.

The Council of National Defense, as you know, was a council made up of several Cabinet officers, and we still have a director there who has been cooperating with the Department of Labor and is still cooperating through State and local councils and community councils, and I am hopeful that that very helpful cooperation may continue to be effective through that agency, always in subordination and in cooperation with and under the direction of the Department of Labor.

In addition to that I have quite recently asked Mr. Arthur Woods, who used to be associated with the municipal government of the city of New York, to come to the War Department as special assistant to the Secretary of War, to have as his function the perfecting of this cooperation through the Department of Labor, through the city governments, through the municipal governments, through the chambers of industry and chambers of commerce throughout the country, in correlation with all agencies in this country which can cooperate with the Department of Labor to find jobs for the soldiers. [Applause.]

I take pleasure in making this announcement, because I want you to realize that when Col. Arthur Woods writes a letter or comes to see you that he is in a very direct and special way the representative of the War Department, and that there will be no antagonism of purpose, and that you will assist him in doing the things he is trying to do in order to help solve this problem and those the Department of Labor is primarily responsible for.

Mr. HALL. Some reference has been made here to the work of Arthur Woods, assistant to the Secretary of War, and the Secretary of War, in his speech above quoted, also refers to him and his work. In this connection I desire to file a letter from Arthur Woods to the chairman of the Committee on Appropriations of the House of Representatives, which I believe to be pertinent to this inquiry.

(The letter above referred to is here printed in full in the record, as follows:)

I am told that your committee is now considering, in connection with the sundry civil appropriations bill, the item to provide for the continuance of the United States Employment Service after July 1, 1919. I want to urge favorable consideration of this.

In my work as assistant to the Secretary of War, representing him in matters having to do with finding employment for discharged soldiers, I have been working with the United States Employment Service from the beginning, and with their bureaus for returning soldiers, which were formed under the leadership of the Employment Service, with the cooperation of various welfare societies and local agencies. If the United States Employment Service were to go out of business on the 1st of July the interests of the returning soldiers and sailors who need assistance in trying to reestablish themselves in civil life would suffer to an extent which it is difficult to overestimate. This Employment Service extends all over the country and, except for the various welfare associations, which in most cases cooperate closely with the Employment Service, is, of course, the only comprehensive placement machinery for soldiers and sailors.

I have no wish, and am not qualified to take up the question as to whether this particular form of organization is the best as a permanent form of United States Employment Service, but my work to date in trying to help the soldier back into worthy positions in civil life has convinced me that as a practical matter there is no proper alternative but to continue the service at the present time.

Very truly, yours,

ARTHUR WOODS,
Assistant to the Secretary.

Mr. HALL. I also place in the record a copy of a letter from Mr. Mark M. Jones, director of personnel, Department of Labor, from the state of New Jersey, relative to the meeting of the community labor board in the Orange office on Thursday, July 10:

(The letter above referred to is printed in the record in full, as follows:)

The community labor board held a meeting in the Orange office on Thursday, July 10, at which it was unanimously declared to be the opinion of the members of the board that the office should be continued. Its services are becoming more effective daily, and the monthly reports to you indicate that it is really a worth-while agency.

For this reason we have believed that an effort should be made to secure one-half of the cost of operating the office from the municipalities, and the com-

munity labor board will proceed with the idea of getting the mayors together and endeavoring to work out a plan of that sort.

In the meantime, and pending the completion of the scheme, the Edison Industries will underwrite the expenses of the office to an amount not exceeding \$250 per month and for not more than three months. This with the understanding that the amount will be returned to us, if possible, as soon as some other arrangements are worked out.

I hope that under these circumstances you will see your way clear to meet one-half of the expenses from State funds and that the office will not be closed on Saturday, but will be continued until some further understanding is arrived at.

Very truly, yours,

MARK M. JONES,
Director of Personnel.

Mr. HALL. The following newspapers throughout the country have indorsed the National Permanent Employment Service. I will read the one from the Industrial Management:

Should the manufacturers of this country be asked whether or not they wish to see the United States Employment Service kept, without doubt the almost unanimous answer would be "Yes." This reply would be given with no thought of bowing before the inevitable, but because employers honestly believe that this service once developed will be of tremendous value to them. In fact, it is perhaps not overstating the situation to say that employment managers, as such, have said more harsh things about the United States employment agencies than their superiors in the industry.

To face a few facts:

The United States Employment Service is here to stay. It has been a helpful agency during the months of the war. It promises great good for American industry once it is developed and brought to a condition of maximum usefulness. Perhaps the four major needs in its upbuilding and immediate future are—

"Administration that will not even allow seeming discrimination or special privileges.

"Adoption of a standard classification so that the man and woman sent in response to a request will be fitted for the position open.

"Adapting the service to the needs of skilled men.

"Making the office routine of interview and placement uniform throughout the entire country."

The other papers referred to which have indorsed the National Permanent Employment Service are: The New York Commercial, the Springfield (Ohio) Sun, the Musical Courier, Chicago Daily News, New York World, New York Tribune, New Orleans Item, Atlantic (N. J.) Gazette, New York Evening Post, the Cleveland (Ohio) Topics, Los Angeles (Cal.) Herald, Savannah (Ga.) News, San Francisco Bulletin, New York Herald, Poughkeepsie (N. Y.) Star, Forbes Magazine, New York Tribune, Cottonseed Oil Magazine, J. T. Morgan & Co., Sioux Falls Press, Fresno (Cal.) Republican, Detroit News, Springfield (Mass.) Republican, Boston Traveler, Atlanta Journal, Chicago Journal, Savannah (Ga.) News, Collier's, Paterson (N. J.) Call, Cleveland (Ohio) Press, New York Telegraph, The Iron Age, Wisconsin State Journal, La Crosse Tribune, Newark (N. J.) Star-Eagle, Birmingham (Ala.) Ledger, Sacramento (Calif.) Bee, New York Mail, Memphis (Tenn.) Press, Claremont (N. H.) Daily Eagle, New Orleans (La.) Item, Baltimore News, New Orleans (La.) State, San Francisco Call and Post, Winston-Salem (N. C.) Sentinel, The Farm Journal, Denver Bulletin, Montgomery (Ala.) Advertiser, Sheboygan (Wis.) Press, Janesville (Wis.) Gazette, San Francisco Examiner, Miami (Fla.) Herald, Chicago Herald-Examiner, The Survey, Yonkers (N. Y.) Statesman, Evening Star (Nebr.) Journal, Omaha Bee, Toledo (Ohio) Blade, Newark (N. J.) News, The Annalist (New York Times Co.), Des Moines (Iowa) Cap-

ital, Washington (D. C.) Times, Public Opinion, Tampa (Fla.) Times, World's Work, American Contractor, Ithaca (N. Y.) Journal, Farrell (Pa.) News, Schenectady (N. Y.) Gazette, Marietta (Ohio) Times, the American City (N. Y.), Freeport (Ill.) Journal, New York Journal of Commerce, Washington (D. C.) Star, Washington (D. C.) Post, Philadelphia Evening Public Ledger, Hackensack (N. J.) Record, Literary Digest, Trench and Camp (soldiers' newspapers in 30 camps), Pittsburgh Press, Charleston (S. C.) American, Fort Worth (Tex.) Star-Telegram, Coming Back (soldiers' newspaper on transports), Printers' Ink, Advertising and Selling, The Fourth Estate, and numerous advertising agencies and clubs.

Mr. ZIHLMAN. While you are on that subject of the complaints that have been made of the inefficiency of the service in placing men, Mr. Hall, there has been a great deal of spirit manifested here by some of the Members of Congress that they have not been able to place anyone through the Employment Service. Could you tell the committee anything in regard to requests for employment that you have received from Members of Congress and the number that you have placed and that you were unable to place?

Mr. HALL. That does not come under my supervision, Mr. Zihlman, but I would be very glad to look into it. But I will say this, that at the time that we were running at white heat over there we usually referred an application from a Congressman to the locality in which he wanted the man placed, through the Federal director of the particular State, and it would go in as a placement in that man's office. It is true that through the public-service reserve we made a specialty of placing men in governmental positions, and we have placed a number of men who had been asked to be placed by Congressmen, both Republicans and Democrats, who had asked to place the men now and then.

Mr. ZIHLMAN. I am not speaking of your service, but any job——

Mr. HALL (interrupting). In the Employment Service?

Mr. ZIHLMAN. Any job.

Mr. HALL. I am not familiar with that. I could not testify.

Mr. MACCRATE. Complaints have been made by Congressmen that the employment officers were taken out of their districts after they had made charges to the Employment Service, that those offices were closed.

Mr. HALL. That is not true. It was not closed on that account. They would be closed because of the operations which were ended at that time.

Mr. NOLAN. You did not start to close any of the employment offices until last February or March, did you?

Mr. HALL. We had drawn up plans to cut down the service materially, because you realize that when we had to monopolize the hiring—I mean we were taking charge practically of the unskilled labor proposition—we had to put in places where economically an office would not do enough business in order to form and combine the contracts so that the manufacturers and general employers could use it.

Mr. NOLAN. And when the armistice was signed——

Mr. HALL (interposing). And when the armistice was signed we started to cut that down, and just on top of that our appropriation failed, on account of the delay in passing the sundry civil and defi-

ciency bills, and we had to cut down immediately; and then it was throughout the country about 60 organizations came forward and contributed money, and the Metal Trades' Association, the manufacturers, the chambers of commerce, and the Red Cross, and a whole lot, contributed money to keep the service going.

Senator PHIPPS. Did you have contributions from the Red Cross for the purpose of keeping the service going?

Mr. HALL. Mr. Densmore can answer that.

Mr. JOHN B. DENSMORE (Director General of the U. S. Employment Service). All the welfare societies, including the Red Cross, contributed.

Senator PHIPPS. Do you know how much?

Mr. DENSMORE. I do not know how much.

Senator WALSH. The National Council of Defense?

Mr. DENSMORE. The National Council of Defense, the various State councils of defense did.

Mr. HALL. Mr. Chairman, I would like to place in the record, as a part of my statement, a number of matters concerning fee-charging agencies, and records as to demands in one part of the country, showing a big demand for labor and a supply in another part of the country—

The CHAIRMAN. Could you place in the record the number of offices under the control of this bureau at the present time, and also bring down the statistics as to the number of applications and placements, as far as you can?

Mr. HALL. I have it up to July 1.

Mr. CASEY. Mr. Emery made a very positive statement the other day, that there never was a representative of employers called in any of these conference which were held to prepare any of the bills providing for a national employment bureau. Do not know whether or not they were called in.

Mr. HALL. I do know that the representative organizations, as it was held out to me, has been that the United States Chamber of Commerce, and it is supposed to embrace all of the employers. We invited the United States Chamber of Commerce to send a representative and they sent a representative. Mr. Elliott could not come, and I do not remember just now who it was they sent. I will get that and give it to the committee. They sent a representative, and he was there all the time. In addition to that, the Manufacturers' Association asked if they might have somebody present, and I believe that Mr. Atchison was there during the entire conference as representative of the Manufacturers' Association.

Mr. ATKINSON (representing the Manufacturers' Association). I will say, Mr. Chairman, that we were not invited to be represented at the conference, but I called upon Mr. Densmore and requested from him permission to attend. Mr. Densmore was very courteous, and I was present as an on-looker and listener; but I had no voice whatever in the conference.

The CHAIRMAN. Was that from your own choice, or because of objection to you?

Mr. ATKINSON. Why, I just merely mentioned that to show that the initiative came entirely from the National Association of Manufacturers, and we requested the invitation.

The CHAIRMAN. And you were there as their representative, were you not?

Mr. AKINSON. Yes, sir.

Mr. NOLAN. Was the American Federation of Labor invited?

Mr. HALL. Yes. And I want to say that this bill is practically the same as that drawn up by the National Association of Employment Officers, at Cleveland, in the conference at Cleveland, and on that bill, based on that bill, the bill was drawn up by this advisory committee, of which Mr. Casey, and Mr. Catchings, and Mr. Langdon were members, and this bill was practically the outcome of all the conferences; and the purpose of these conferences was to get an idea of the position of the States, and to get them to coordinate on these things.

Mr. HERSEY. I do not see why the committee should care who drew the bill.

Mr. HALL. I only raised that question because Mr. Emery stated that we had apparently shown a desire not to have the judgment and opinion of the employers on this bill.

The CHAIRMAN. What industries were represented at the Cleveland meeting?

Mr. HALL. All the free employment bureaus, and the examiners and the State officers. All of the heads of the State offices for the various States.

Mr. CASEY. I want to ask you one further question: I do not know whether you could give me the information I want or not. What is the real reason for the employers and the manufacturers opposing this bill, if you know?

Mr. HALL. I will just give you my opinion. In the first place, the various employers' organizations have been against nearly everything that had to do with labor. They were against the workmen's compensation act, and they opposed the creation of the Department of Labor; they opposed all of the bills that were reported out by the committee on labor that came out of that committee when Secretary Wilson was chairman.

But there is a further reason. There are a certain lot of manufacturers who like to see the men piled up at their gates. I am glad to say that they are in the great minority; but there is a certain lot of men who like to see a reserve of labor outside of their gates, just as they like to see a reserve of coal in their yards, in order that they may know they have plenty of supply. Gen. Bryant saw a manufacturer in Newark to whom he had furnished a great number of men, and he asked him, "You are in favor of the continuation of the United States Employment Service, are you not?" The answer was, "No; I have not any use for it." "But," said Gen. Bryant, "you used it during the war." "Yes," was the answer, "but I have seven men for every job." "But are you not interested in the other six?" he asked. He said, "No; he was not."

That is the type of employer, just one of the employers; but the great majority of employers and manufacturers are just as keen to the national benefit of an employment service as any other class of citizens, but they have been misled, in my opinion, by the propaganda that has been carried on, where they have been repeatedly hammered as to this being a proselyting organization for the American Federation of Labor.

Mr. NOLAN. You spoke about great crowds being at the gates of the employers seeking employment. During the war, when the country was needing this labor, is it not a fact that the employment agency found it necessary to put agents at the gates to employ the men who were turned away?

Mr. HALL. Well, Mr. Densmore will answer that.

Mr. NOLAN. Some stress has been laid on the fact that the employers and the manufacturers in certain centers conduct their own employment agencies, and because of that fact they say there is no necessity for the Federal employment bureaus. Can you throw any light on that, as to the employers' associations conducting such bureaus?

Mr. HALL. As I understand it, the employment agencies conducted by manufacturers, they are only furnishing men to their own members. In other words, if you do not belong to this particular branch of the employers' association, you do not get any men from this agency. And, in addition to that, the Metal Trades Association, I understand, generally keeps a list with a record of every man who has been in their employ, but it can not meet the situation because it is not comprehensive enough. I was talking with an officer of the manufacturers' association just the other day, and he suggested this solution, that the employers' associations could look after it. I proceeded to name to him many cities in which they had no association at all, and I asked him what they were going to do in those States. And he admitted that it was not really a comprehensive system.

Mr. NOLAN. Are you familiar with the employment associations of the National Metal Trades Association?

Mr. HALL. I am not familiar with that.

Mr. NOLAN. Do you know anything about certain cards which must be seen before a man gets employment of that association, in the shape of a membership of that association—

Mr. HALL. I am not familiar with that.

Mr. CASEY. If you can not give us any information on that point, do you know of anybody who can give it to us?

Mr. HALL. I think that the information could be obtained and put in the record.

Mr. HERSEY. I would like to know about that. What card is it?

Mr. HALL. I have not seen the card, but I should think that Mr. Densmore might know something about it. Would you know about that, Mr. Densmore?

Mr. NOLAN. The reason that we want to get that information is that I want to show the kind of an employment service the National Metal Trades Association carries on; and I want to show that it is impossible for a man that belongs to a union to get in a shop.

Mr. HERSEY. How does that affect the case one way or another?

Mr. HENRY STERLING (legislative representative of the American Federation of Labor). We have a witness that we desire to put on, that has knowledge on that point.

Mr. HALL. Now, Mr. Chairman, I wish to reply to some of the testimony submitted to the committee, urging the discontinuance of the United States Employment Service. It has been stated that the United States Employment Service has been conducted extravagantly and inefficiently.

The United States Employment Service was a part of the machinery instituted by the Government for the prosecution of the war. In all probability money was wasted during the war. It was wasted in all other Government departments, and it was wasted by nearly every private business house. One would hardly assume that it was not wasted by the employment service. Those who make this charge are overlooking the fact that during the war speed outweighed cost in every instance. Economy was not the main factor in production, nor was it the main factor in the distribution of labor. I affirm that speed in recruiting labor was accomplished, and that thereby time, which was more important than money, was saved. I offer the following facts in support of this affirmation:

In October, 1918, while the war was in progress, the shell-loading plant of the Gillespie Loading Co., at Morgan, N. J., was wrecked by explosion and fire. The urgent need in France for shells required that production should be diminished, and the Ordnance Department called upon the employment service to furnish laborers for a similar shell-loading plant at Mays Landing, N. J. Notwithstanding the handicap of the catastrophe, with large loss of life, emphasizing the dangerous character of the employment, 1,500 laborers were recruited and delivered at Mays Landing by the employment service in three days.

On October 14 the Employment Service received notice from the Construction Division of the Army that they were about to construct a gas plant at Coryland, Pa., to manufacture toxic gas, most urgently needed by the American Army on the western front. A letter dated October 12, 1918, from Maj. Gen. William L. Sibert, of the Construction Division of the Army, emphasizes the importance of the project.

A letter was also received by the Employment Service from Benedict Crowell, Assistant Secretary of War, requesting that labor obtained be divided equally between the shell filling plants and the plants of the Chemical Warfare Service at Croyland, Pa., until the latter had been supplied with 1,000 men. The Employment Service took immediate action. Recruiting was carried on in New York and Pennsylvania until notice was received that housing facilities were not sufficient to accommodate more labor.

During this same period and while the pressure of recruiting for the two above purposes was being continued, a cablegram was received by the War Department from Gen. Pershing stating that the shortage in the supply of rifles, which for some time had been serious, had now become critical, and urging the speeding up of production. The Employment Service was notified of the importance of supplying labor to the Eddystone Rifle plant in Pennsylvania, and between October 21 and November 1 817 men were referred to that project.

In spite of my willingness to admit that money was sacrificed to time and speed, I would call your attention to a second series of facts relative to the volume of placements in proportion to the per capita cost. \$1.38. In view of the circumstances attending the establishment of the service, the fact that it was forced to build its machine and operate it at the same time, that no one in our country had had experience in instituting, directing, or operating a national labor exchange, I contend that the service rendered was neither extra-

gant nor inefficient. I will file a table showing the total activities by months.

(The table above referred to is printed in full in the record, as follows:)

Total activities by months.

Month.	Registra- tions.	Help wanted.	Referred.	Reported placed.
1918.				
January.....	52,353	89,002	62,642	51,183
February.....	92,452	92,584	70,369	58,544
March.....	144,156	177,831	118,076	100,446
April.....	156,575	320,325	171,306	149,415
May.....	206,181	328,557	179,821	156,254
June.....	216,564	394,395	221,646	152,796
July.....	252,294	484,033	250,152	217,291
August.....	555,505	1,227,705	500,510	395,530
September.....	531,226	1,476,282	513,662	362,696
October.....	594,737	1,588,975	606,672	435,931
November.....	741,712	1,721,943	748,934	558,469
December.....	549,593	1,021,330	525,486	392,934
1919.				
January.....	557,206	730,881	514,436	372,156
February.....	496,299	487,475	406,524	299,118
March.....	523,736	539,393	440,833	327,660
April.....	364,651	387,256	309,158	252,135
May.....	487,929	510,689	424,738	333,587
June.....	424,173	494,915	350,726	298,652
18 months.....	7,105,655	12,079,514	6,446,294	4,935,139

Mr. HALL. The statement has also been made that the personnel was inefficient and failed to render the service expected.

The Employment Service grew up overnight, as it were. It was instituted at a time when the available man power of the country was already employed in other lines. The facts with reference to the National Employment Service do not differ from those which are found in connection with employment managers in private business houses. Employment managers were demanded and were hired in large numbers because workers must be kept on the job. Save time and ignore costs was the universal order. So great was the demand for employment managers that hundreds of inefficient, inexperienced, and untrained men and women were employed by business houses at high wages. Many of these men and women would not, under normal conditions, have been considered by any business house. Standards of employment efficiency, if there ever were any, were broken down.

The United States Employment Service met the same conditions and responded to the same demands in approximately the same way. Its function was to find enough men for jobs and get them on the job as quickly as possible. The demand for placement agents in the Employment Service was just as great as was the demand for employment managers, and there was not so good a source of supply because the salary offered was much less. Is it any wonder, then, that a certain part of the personnel was inefficient? A nucleus of efficiency was all that could possibly have been expected.

Had the opponents of the service delved below the surface and had they broadened their horizon so as to include the post-war period, they would have known that the moment the Employment Service ceased to be needed as a military machine it instituted efficiency

studies to discover and eradicate the war-time inefficiencies and transform the service into peace-time efficiency.

I will file evidence which indicates the type of efficiency studies which were instituted after the war and which were continued with excellent results until the failure of Congress to make sufficient appropriation to warrant continuance. Replies to the letters, approximately 100 of which are in our files, indicate that definite results were being achieved.

EXAMPLE 1.

From: Acting director, Organization Division.

To: Federal director.

Subject: Efficiency of office at ———.

1. An analysis of the reports submitted by the Federal director indicates a condition of inefficiency, inaccuracy, or lack of full effort in the office above mentioned. From the very small percentage of placements to registration and the small amount of orders for help it is evident that little or no effort has been made to secure employment for those applying or a condition of industrial stagnation is present. Every possible effort should be made to secure all the opportunities for employment, as well as meeting the demands from employers for help in the district covered by this office, in order that it will not fall short of the standards required by the service.

2. The service desires to maintain offices only where their usefulness to the community can be demonstrated and expects of the personnel every effort to fill the demands made upon it consistent with due regard to set policies.

3. The Federal director is therefore instructed to inquire thoroughly into the conditions existing here and report in full to this office at the earliest possible moment.

EXAMPLE 2.

From: Assistant director, Organization Division.

To: Federal director.

Subject: Efficiency of office at ———.

1. An analysis of the reports submitted by the Federal director indicates a lack of full effort to secure the proper results in the office above indicated.

2. Over a period of 10 weeks the registrations were 397, help wanted 2,790, referred 354, and placed 354. From the very small percentage of placements to help wanted it would indicate that this office has not met the demands made upon it by the employers in the district. Vigorous efforts should be made to supply this demand in order that the standards of efficiency required by this service may be maintained by this office.

3. The service desires to maintain offices only where their usefulness to the community can be demonstrated, and expects from the personnel every effort to fill the demands upon it consistent with due regard to set policies.

4. The Federal director is therefore instructed to inquire thoroughly into the conditions and methods existing here and report in full to this office at the earliest possible moment.

EXAMPLE 3.

From: Assistant director, Organization Division.

To: Federal director.

Subject: Efficiency of offices.

1. Acknowledgment is made of letter dated February 27, 1919, from the Federal director in reply to service letter of February 25.

2. The information given therein has been carefully noted and the efforts of the Federal director to stimulate the activities of the officers under his jurisdiction are appreciated. The results of his plans will be watched with interest.

3. It is not the intention of the administrative office to discontinue offices arbitrarily but to maintain them only when they have proven of service to the community whose patronage they solicit and to whom they offer the privileges of a service.

4. It is suggested, however, that every possible effort on the part of the personnel be put forward to secure all the applications for help and applications for work possible in the district served. Such a vigorous drive to compel the full recognition of the merits of the service can not fail to rebound to the credit as well as the efficiency of the State administration and the national service.

Mr. HALL. The card which I will file indicates the manner in which the efficiency of the various employment offices throughout the country was analyzed. The statistical reports obtained by the statistics section were sent to the organization division. These statistical reports covered a period of 10 weeks, indicating the registrations, help wanted, referred, and placed; to these statistical reports was attached a card showing the fiscal affairs of the office in question. These cards indicated the total costs of the office per week from which were figured the "cost per placement" and the "cost per registration"; other factors taken into consideration and included on the card were the percentage of costs of an individual office to the State's total cost; the percentage of placements, registrations, help wanted and referred, to the State's total; also the number of employees. If upon analysis it was found that an office was inefficient in any way, a letter, corresponding to those inserted above, was directed to the Federal director, instructing him to look into affairs and report to this office. Reports of activities were received regularly and analyzed regularly from the time the strain of war-time activities was relieved until the reorganization in March made it necessary to curtail activities and forces.

(The cards referred to above are printed in the record, as follows:)

Organization division.

[Feb. 24, 1919.]

Location, Santa Rosa, Calif.:

Rent per week	-----
Salaries per week	\$25.00
Other expenses per week	\$0.88
Total cost per week	\$25.88
Cost per placement	\$0.68
Cost per registration	\$0.41
Number of employees	1
Population under	8,000

Location, Stockton, Calif.:

Rent per week	\$17.50
Salaries per week	\$37.50
Other expenses per week	\$4.41
Total cost per week	\$59.41
Cost per placement	\$0.38
Cost per registration	\$0.33
Number of employees	2
Population	36,209

(The analysis attached to the above cards is as follows:)

California.

SANTA ROSA.

Week.	Registra- tions.	Help wanted.	Referred.	Placed.	Week.	Registra- tions.	Help wanted.	Referred.	Placed.
Nov. 23	53	68	55	45	Jan. 4	68	59	41	30
30	47	61	47	38	18	51	43	42	35
Dec. 7	66	86	66	48	25	93	28	28	24
14	47	80	47	38	Feb. 1	67	54	49	43
21	50	73	50	41					
28	59	83	59	27		601	615	484	370

Population, 32,209.

STOCKTON.

Week.	Registra- tions.	Help wanted.	Referred.	Placed.	Week.	Registra- tions.	Help wanted.	Referred.	Placed.
Nov. 23	276	241	249	225	Jan. 4	215	164	207	154
30	247	213	330	209	18	125	137	124	117
Dec. 7	228	176	214	217	25	162	152	138	130
14	227	188	216	200	Feb. 1	135	137	123	119
21	87	67	79	70					
28	94	72	98	86		1,782	1,547	1,678	1,557

Registrations of 10 per day would indicate a fairly heavy volume of business. Inasmuch as placements were but 60 per cent of help wanted it would appear that more than 80 per cent of registrations might have been referred.

If the above figures are correct a remarkably efficient office is indicated. Of registrations 94 per cent were referred, and of referred 83 per cent were placed. Either delayed placements have been reported or help wanted is incorrect. Stockton is a manufacturing town and is situated in a rich farming and gardening country.

JOHN B. MORROW.
Chief Statistics Section.

FEBRUARY 19, 1919.

Mr. HALL. Another indication that the personnel was sufficiently efficient and rendered enough service for communities to desire to retain the offices is indicated by correspondence received during the current month (July, 1919), since it has been known that offices must be closed because of the limited appropriation. I desire to place in the record a few sample letters and telegrams.

(The letters and telegrams above referred to are printed in full in the record, as follows:)

Letter Senator Robinson, Arkansas:

Referring to my telegram of yesterday, if you can find it consistent to continue for the present the monthly allotment for the Arkansas Employment Service of \$1,090, the State Council of National Defense will supplement it so that the present organization substantially may be continued.

Letter secretary-manager Board of Commerce, Lexington, Ky.:

The Lexington Board of Commerce has served the Government on every occasion during the war and, as in the case when the Lexington employment office was notified March 22 that no further funds were available, has responded to every need. We raised funds and paid the expenses of the office from March 22 to June 1, and we have now added to other numerous burdens carried by the Board of Commerce the operation of a free employment bureau beginning the day you closed this office, July 5.

Letter from secretary-manager board of commerce, Lexington, Ky.:

We raised funds to operate the office (United States Employment Service) until June 1, and we are preparing to raise additional funds to maintain it until July 1, expecting a congressional appropriation in the meantime, but dispatches from Washington appearing in the morning's paper indicate that there is no inclination on the part of Congress apparently to maintain the office, as we are forced to notify Manager H. L. Thomas that we could not pay for the operation of the bureau after June 1.

Congress is making a great mistake in their failure to maintain the employment offices at least until all our boys have returned from overseas, but if they can afford to shoulder the responsibility we feel that we have done our part here.

Telegram from R. M. Cook, president Chattanooga Trades and Labor Council:

Chattanooga Trades and Labor Council will provide funds for maintenance United States employment office here for month of July.

Letter from Roger Moore, president Wilmington Chamber of Commerce:

Since the latter part of March the office here (Wilmington, N. C.) has been supported by a special fund subscribed by the chamber of commerce and an appropriation from the war camp community service. A necessary amount was subscribed, with information and belief that the Government would take the work over again the 1st of July. However, since it has not, arrangements have been made by the same organizations to continue it two months longer.

As president of the chamber of commerce and chairman of the war community work I have no hesitancy in saying that this community has been amply justified in contributing its support, and we have no complaint whatever to make as to the manner in which the local office has been or is conducted, but would like to have you advise us if this office is to cease the 1st of September, unless the local organizations continue with financial assistance, which I am positive they are not disposed to give, as we feel we have done our part.

Wilmington is the metropolis of eastern North Carolina, a city of 40,000 population, and the employment office here serves a large territory. We are urging a continuation of this office and will thank you for respectful consideration, etc.

Letter from director general to Hon. Clay Stone Briggs:

With reference to your recent inquiry regarding continuance of the employment service office at Galveston, Tex., I wish to advise you that we have received a telegraphic reply from the Federal director for Texas, stating that although several efforts have been made no financial support has been secured from Galveston and that Federal funds will not permit the reopening of the office at this point.

Telegram from Spokane (Wash.) Chamber of Commerce, attached to letter from Hon. Miles Poindexter:

All employment offices in State closed except Seattle. Spokane office badly needed immediately, and at least for 90 days, to properly place labor to care for large grain crop now ripening, etc. Can you help us with the department?

Telegram from George Gano, president chamber of commerce, Hutchinson, Kans.:

We ask and feel that we are justly entitled to a fair share of the appropriation available. Hutchinson, Kans., is located in the heart of the great wheat communities and has proven in a substantial manner its appreciation of the service.

Letter of W. B. Hilton, editor-manager Wheeling Majority, Wheeling, W. Va., to the Hon. M. M. Neely, M. C.:

We are deeply interested in this matter (the continuance of the employment service office at Wheeling, W. Va.) and very anxious that the bureau be continued, and I am writing to ask whether you have any additional information at this time that would justify you in making a prediction.

Telegram from vice president Bank of Jonesboro (Ark.) to the Hon. T. H. Caraway:

Labor conditions in eastern Arkansas demand the continuance of the United States labor office at Jonesboro. Please arrange to keep office.

Telegram from H. M. Cooley to Hon. T. H. Caraway:

Do not let labor office Jonesboro be discontinued.

Telegram from J. F. Christy, manager city water and light plant, Jonesboro, Ark., to Hon. T. H. Caraway:

With soldiers returning and highway and drainage projects drawing heavily on our labor supply, farmers and millmen of eastern Arkansas need Federal labor office at Jonesboro. Please obtain its continuance by Federal director, if possible.

Telegram from Portland chamber of commerce to Hon. C. M. McArthur:

Employment Service in Oregon allotted only \$1,500 per month to carry on work. Means practically abandonment Women's Division, which has supplied labor for berry and fruit fields in previous years. Situation critical. Can you get small additional appropriation, etc.?

Telegram from Minneapolis Civic and Commerce Association to Hon. C. M. McArthur:

The Civic and Commerce Association, representing 5,500 men in Minneapolis, has just been informed that it has seemed advisable to you to discontinue the employment service in Minneapolis. We believe that you have not the facts before you in their entirety and that we can count on you to countermand the order you have just issued. Minneapolis is reserve labor center for Northwest, supplying a large percentage of labor in farm, woods, and labor gangs. Farmers of Northwest now actively using Minneapolis bureau to extent of almost 50 a day. This number will increase to at least 100 a day within next few days. Harvesting season now on. These figures quoted by previous years' experience. It is imperative for Minneapolis to retain Minneapolis office on best possible basis. Assure you this association stands ready to cooperate in every practicable manner with your service, etc.

Letter from Hon. Ladislav Lazaro to director general:

As you know, the Lake Charles (La.) district is the largest industrial district in Louisiana. It contains practically all the rice industry of the State, several large sawmills and sulphur mills. Hoping you will help us in keeping up this bureau, which has done valuable work during the war, and is giving good service now.

Telegram from Portland Chamber of Commerce to Hon. W. C. Hawley:

In re discontinuance of work in Portland, Oreg.: I know that the women's division has been very active and effective in securing much needed assistance in obtaining labor to harvest the berry and fruit crops and also the prune crop and other fruits. I indorse the request and trust it will be possible to increase the monthly allowance to the service at Portland, Oreg., as I believe the money will be well and properly spent. Employment service in Oregon allowed only \$1,500 a month to carry on the work means practically abandoning women's division, which has supplied labor for berry and fruit fields in previous years. Situation critical, etc.

Mr. HALL. The statement is made that the United States Employment Service is not a satisfactory method of securing help.

Has any method of securing help been satisfactory? The corporation schools, the employment managers' association, the manufacturers' association, and all other employment organizations have analyzed over and over again the source from which help could be secured. Not a single method up to date has been pronounced satisfactory. Applications, advertising, private employment agencies, labor societies, recommendations of friends, educational institutions, etc., are the most common methods. Each has some serious objection brought against it. Reports of these organizations indicate that this is an annual topic for discussion and that the evidence offered to indicate that employers were not served by the United States Employment Service is the same type of evidence which indicates that they have not, to date, been served by any agency. It is interesting to note that on the whole the public schools seem to have been the most satisfactory. This is of value to us in view of the strong cooperation which the junior department of the United States Employment Service is receiving from schools and colleges.

It is alleged that the United States Employment Service has been used, and doubtless will continue to be used, for labor-union propaganda.

The statement has already been refuted by evidence offered by Mr. Smythe on page 170 of the record. It includes an analysis of

the personnel in the administrative office at Washington of the Federal State directors and a portion of the local personnel. The facts are that there are so few labor-union employees in the service that their percentage is no greater than would be legitimate were employees selected in proportion to the number of union and non-union wage earners in this country.

The only instance offered in evidence submitted against the service is the Muskegon incident cited by Mr. Galpin on July 15. This is an isolated instance of the indiscretion of Government officials and has no value in an estimate of the attitude of the service in connection with labor unions. Mr. Galpin's statement that the Federal director and all of the 24 examiners in Michigan were labor-union men can not be supported by facts.

In that regard I call attention to a telegram received from Mr. Cunningham, which I will offer for the record.

(The telegram above referred to is here printed in full in the record, as follows:)

Personnel, August, 48 employees; 19 of those were women. Scannell, examiner, belongs to boot and shoe workers. Understand that Giltner, Talmadge, Flanagan, and Yonkers belonged to Federal Employees' Union. Employees outside Detroit practically all indorsed by boards of commerce and employers' associations. Do not believe any of them were members of unions. At Pontiac the secretary of the manufacturers' association acted as examiner.

Mr. HALL. The Federal director is or was a member of a labor union.

I would call the attention to one or two general facts relative to the labor-union situation with reference to business houses. Eternal vigilance has been the price which many large plants have paid for anything like definite assurance that employees engaged in union activities were not inadvertently placed on their pay rolls. Many plants habitually maintain employee detectives whose main duty it is to watch lest a black sheep stray into the fold and organize it before employers themselves are aware of the propaganda. Is it, then, any wonder if a labor leader occasionally slips by the watchful eye of such organizations as the Metal Trade Association, that an occasional examiner connected with the United States Employment Service should overreach in his zeal to aid the unions?

From the date of the establishment of the first public employment office (Ohio, in 1890) to the present time we have had this situation: Labor organizations have favored the service; employers have not. The reasons have been varied; some legitimate, others not, but lack of support by employers has been a serious handicap to the development and efficiency of public employment offices and must be secured in the future. England has passed through exactly the same experience. She has overcome both the indifference and the opposition of employers by rendering efficient service, and we must do the same.

The statement is also made that the statistics of the United States Employment Service are inaccurate.

No one who knows anything about statistics would attempt to offer labor statistics which claimed accuracy. They know there are none. Reports of the National Committee of Employment Managers state frankly that it has been impossible for private firms to keep track of the exact numbers hired in their plants. They are now working, through the national organization, to perfect systems which

they hope will give data for fairly accurate conclusions regarding labor turnover.

In connection with the criticism of the United States Employment Service, please note the fact that one firm has its employment manager give each hired man in this office a pass, putting a duplicate in a temporary file to remain there until the original comes back. The original is not supposed to be returned until the man is actually at work. If the original is not returned within a stated time a tracer slip is sent out. Sometimes the foreman forgets to return it; sometimes the man does not like the job and will not take it; sometimes he does not go to see the foreman at all, etc. This is practically the same system which is in use in the United States Employment Service.

All the evidence goes to prove that the methods of the United States Employment Service are just as modern, and that it has been able to procure just as accurate statistics on labor turnover and placement as has been the business house. Neither one has anything dependable and both are trying to more nearly approach accuracy. If the business house with one line of work under the same roof, with an expert, highly paid employment manager, can not secure accuracy, how can we find fault with the ordinary placement clerk sending out applicants to hundreds of houses, with no authority over foremen who hire, and no compelling influence to secure a report?

The statement is made that employers are opposed to the continuation of the service.

All employers are not opposed to the service, any more than all are in favor of it. The letters and telegrams filed indicate that many individual business houses are in sympathy with the service, and are making use of it. That chambers of commerce and other business men's organizations are supporting the service; that organizations of employers and individuals have contributed liberally in a financial way to the maintenance of the United States employment offices after Congress failed to provide for their support from public funds.

If employers were not using the service how would it have been possible for it to have made placements with employers which total 4,955,159 in 18 months? Statistics alone indicate that a large number of employers must have used the service, and must be continuing to use it at date.

The following-named organizations are contributing to the financial support of the United States Employment Service:

State.	City,
County,	Citizens,
Chamber of Commerce,	Private party,
Local funds,	Rotary Club,
Red Cross,	War Camp Community Service,
Employees,	State Council of Defense,
Lion's Club,	War Bureau of Willimantic,
District Council,	Private funds,
Association of Commerce,	Better Farming Association,
Trades and Labor Assembly,	Merchants' and Manufacturers' Association,
City labor and commercial organization,	Welfare organization,
Illinois Northern Utilities Co.,	Telephone Co.,
Galesburg Telephone Co.,	Freeport Water Co.,
Board of Education,	Galesburg Power and Light Co.,

National Polish Alliance and Polish
Catholic Association,
Arpin Co.,
Catholic Employment Bureau,
Industrial Center, Y. W. C. A.,
Commercial Club,
Board of Commerce,
Community Labor Board,
War Chest Shoe Manufacturers,
Selectmen of Framingham,
Public Safety Committee,
Postal Department.
Minn. Committee of Public Safety,
Mankato Commercial Club,
Kansas City Rotary Club,
The Joplin Rotary Club,
Navigation School,
Urban League for Negroes,
Mayor's Welcome Home Committee,
Seventy-seventh Division Employment
Committee,
Knights of Columbus,
Salvation Army,
Federation of Churches,
Trade-unions,
Chicago Urban League,
National Catholic War Council,
Iowa State College,
Y. M. C. A.,

Boston University,
Chairman of Commercial Labor Board,
Ex-Service Men's Association,
Business Men's Association,
Tennessee War Board,
Electric Light Co.,
Kansas City Home Section Service,
Services donated,
Department of Agriculture of New
Jersey,
Great Western Sugar Co.,
Sinking Fund Commissioners,
National League Woman's Service,
Jewish Welfare Board,
Local Draft Boards,
National Security League,
New York State Reconstruction,
Woman's Land Army,
Mayor's committee,
New Charleston Hotel,
Co. commission,
War veterans' commissions,
Veteran Welfare Commission,
Federal director's fund,
Special fund,
Community,
Retail Merchants' Association,
Guardian Life Insurance,
Consolidated Coal Co.

Mr. HALL. Now, I will address myself to the necessity for a centralized labor market with evidence to prove that a Federal employment service can meet this national need in a way in which it has not been met and can not be met by any other agency.

First, as to the necessity of a centralized labor market:

The great need of our country to-day is some agency "to deal constructively with the problem of unemployment and to prepare against the recurrence of unemployment crises." In other words, some agency whose main functions shall be—first, an analysis of the problem of unemployment (normal employment); second, analysis of factors which contribute to unemployment crises (abnormal unemployment); third, formation of a program for dealing constructively with the unemployment problem (normal unemployment); and fourth, a program of preparedness against the recurrence of unemployment crises (unabnormal employment).

I will deal with the fundamental facts in unemployment. In discussing the problem of unemployment, or the maladjustment of the labor supply and demand, certain facts are fundamental to clear thinking our to logical conclusions. First, on the supply side: A labor reserve decentralized in character, or a multitude of labor reserves, in a permanent by-product of our industrial organization. There is no uniform or centralized system of labor distribution. The labor turnover is enormous and is rapidly coming to be recognized as one of the most serious factors in solving labor problems. Second, on the demand side: Labor demand is also decentralized. It consists of millions of individual demands for specific types and qualities of labor to be employed in specific industries for more or less definite periods of time. The demand is individual as to place, type of labor, wages, hours, conditions, etc.

Lescoghier says:

One of the most important problems that confronts our nation is the creating of means for feeding a decentralized demand into a centralized organization able to locate the individual workman suited to each individual demand and bring the two together with the least disturbance to industry and to the home life of the worker. It is not a problem of passing orders and mobilizing men as often as it is a problem of discriminating selection of the man who meets the employer's needs and the employer who meets the man's needs.

The fact then that in American economic life labor demand and labor supply are both decentralized is fundamental to proving out thesis which is, that we need a centralized labor market and that a Federal employment service will meet this national need as it has not been met and can not be met by any other agency.

Now, as to the volume of employment. Under normal conditions about 50 per cent of our wage earners are employed, i. e., are permanent workers. The other 50 per cent is composed largely of unemployables or unemployed. Some men and women will always be out of work—some can not work and some won't work. The problem of unemployables, those who for various reasons are unfit for employment, is most serious, but inasmuch as initiative in the solution of this problem rests upon education rather than upon employment agencies we will eliminate this class from our discussion.

The unemployed and sometimes the underemployed comprise the possible labor reserve of this country.

I have already given to the committee the statistics compiled by Hornett Hart on this subject.

Who are these unemployed men? They are necessary labor reserve of the country. Progress of industry, improvement in machinery and methods, seasonal and industrial cycles make a labor reserve necessary. There could be no industry as we know it without this reserve. It is just as vitally important to the safety and welfare of our Nation as are life-saving crews, firemen, the Army, the Navy, or any other group of workers who are irregularly employed—not permanently unemployed. They make a distinct contribution by the Nation. The difficulty with this labor reserve is not that we have it and not that it is irregularly employed, because both factors are essential to national welfare, but that we have it in the shape of labor reserves—it is decentralized, not centralized, and it responds to decentralized rather than to centralized demands.

At the present time individual industries, individual cities, and individual States expect to maintain in front of their gates or on their streets a sufficient number of unemployed to operate their industries at maximum capacity at any time, although they may so operate for a comparatively short period. It is the maintenance of these individual groups of reserves which makes the volume of unemployment so large and our labor turnover beyond all reason.

There is need for a change in volume and character of labor reserves. We need a labor reserve, but not a group of labor reserves.

The only way to transform our reserves into a reserve is to establish a centralized system of distribution which will pool the entire reserve. In this way only can we hope to reduce the volume of unemployment, distribute workers who want work to employers who seek workers, and reduce the enormous labor turnover which has long been a disgrace to both society and to industry.

There is universal agreement that our banking system permits industry to operate on a smaller capital than would be required were each business house to carry its own reserve. The same general principle applies to our labor reserve—a smaller reserve would operate industry just as effectively provided we organized our labor market and pooled our reserves. Maintenance of a large reserve, idle so much of the time, adds materially to the causes of industrial unrest and to class hatred. Responsibility for pooling these reserves and for distributing them economically throughout the Nation is the crux of the modern industrial problem.

Perhaps you may say that my statements regarding this number of unemployed are too general—that the fact that on an average 10 per cent or 2,500,000 of our entire labor force has been employed covering a period of 16 years, does not prove that this same 2,500,000, or any substantial part of it, could have been, or would have been, distributed by a centralized agency to definite positions demanding their services. Your question would be: Have you any proof that at any given time a given number of unemployed men sought a definite line of work in one locality, while in another locality there was a shortage of labor qualified to fill this same type of position?

That labor shortage and labor surplus exist side by side within our country, although not necessarily within any given State; that the United States Employment Service can and does secure the information, indicating coexistence of shortage and supply, and that it does function even under most unfavorable conditions, as a clearing house, the illustrations offered could be duplicated many times over and could be furnished for any month, or for every month, in the year.

Lest this data appear too limited in volume, or cover too limited a period of time, I offer as additional evidence a group of typical weekly interstate clearance reports covering different sections of the country:

The Massachusetts report covers week of January 8 and of January 15, to cleared 620 workers within the State, 473 without the State; 7 States—Connecticut, Maine, New Hampshire, New York, Rhode Island, Vermont, Virginia, West Virginia, were served.

The Minnesota report of week of March 15, shows 198 workers cleared and 4 States served—Wisconsin, North Dakota, South Dakota, and Montana.

The Missouri report of week of April 26, cleared 495 workers and served 7 States—Kansas, Oklahoma, New Mexico, Colorado, Nebraska, Iowa, and Wyoming.

The Illinois report of week of June 28, cleared 392 workers and served 14 States—Michigan, Massachusetts, Nebraska, North Dakota, Minnesota, Iowa, Missouri, Wisconsin, Indiana, Washington, South Dakota, Ohio, Kansas, and Idaho.

The Ohio report of week of July 12 cleared 174 persons and served 7 States—Kansas, Michigan, West Virginia, Kentucky, Indiana, Massachusetts, Nebraska.

The reports indicate very clearly, first, that interstate clearance is continuously operative; second, it is universal and is operative between States widely separated geographically; third, that bulk clearance, which was common during the war is being displaced by

individual or a small group clearance; fourth, that it deals largely with skilled labor; fifth, that a wide range of occupations is covered, and sixth, that employers using the service are representative of every industry, many being of such importance that they would not use any service which did not afford recruiting facilities superior to their own systems.

It would seem that labor shortage and labor surplus are coexistent, and that the United States Employment Service does secure information regarding the situation and does function as a clearance house.

I affirm also that I have offered conclusive evidence of the need for a centralized labor market which will act as a clearing house for labor supply and labor demand.

I will give the report of placements from different offices in Massachusetts for week ending January 15, 1919:

From—	Sent to—	Number of men and trade.
Haverhill office.....	Nealy Bros., Waterbury, Conn....	1 plumber.
Springfield office.....	Groton Iron Works, Groton, Conn.	1 riveter.
Pittsfield office.....	Texas Steamship Co., Bath, Me....	1 helper.
Boston office.....	Atlantic Corporation, Portsmouth, N. H.	32 laborers, 2 erectors, 1 tester, 1 driller, 1 shop fitter, 1 chipper and calker.
Do.....	Mr. Sanborn, Pittsfield, N. H.....	1 farmer.
Do.....	C. Bell, Hollis, N. H.....	1 teamster.
Fitchburg office.....	Atlantic Corporation, Portsmouth, N. H.	1 iron worker, 8 machinists' helpers, 1 ma- chinist, 1 millwright.
Lawrence office.....	do.....	1 riveter.
Fitchburg office.....	do.....	3 helpers.
Newburyport office.....	do.....	1 marine erector, 7 laborers, 1 rigger.
Salem office.....	do.....	5 laborers.
Do.....	J. S. Nelson & Son, Portsmouth, N. H.	2 teamsters.
North Adams office.....	F. A. Burns Electric Co., Hoosick Falls, N. Y.	1 electrician.
Boston office.....	Chas. B. Maguire Co., Newport, R. I.	36 carpenters, 16 laborers.
Do.....	Westinghouse, Church Kerr Co., Newport, R. I.	5 machinists, 10 steamfitters.
North Adams office.....	Hoosac Lumber Co., Hardeville, Vt.	7 woodmen.
Boston office.....	Newport News Ship Yard Co., Newport News, Va.	1 machinist.
Pittsfield office.....	Charleston, W. Va.....	1 machinist, 1 production man.
Springfield office.....	Groton Iron Works, Groton, Conn.	1 boilermaker, 2 punchers, 1 passer-boy, 23 helpers, 1 bolter-up, 3 reamers.
Boston office.....	Atlantic Corporation, Portsmouth, N. H.	101 laborers, 8 helpers, 1 sheet-metal worker, 16 erectors, 3 hoist engineers, 7 riggers, 2 holders-on, 2 riveters, 6 drillers, 2 bolters- up, 4 chippers, 1 ship fitter, 6 ship clean- ers, 1 heater boy, 1 reamer, 2 leading men, 1 tank tester, 2 not stated.
Haverhill office.....	do.....	1 helper.
Lawrence office.....	do.....	4 helpers.
Lowell office.....	New England Engraving Co., Portsmouth, N. H.	2 laborers.
Newburyport office.....	Atlantic Corporation, Portsmouth, N. H.	6 helpers, 1 marine director.
Boston office.....	Chas. B. Maguire, Newport, R. I....	46 carpenters, 13 laborers.
Fall River office.....	Fort Adams, Newport, R. I.....	2 laborers.
Boston office.....	Civil Service Commission, West Virginia.	73 laborers, 1 molder.

[United States Department of Labor, United States Employment Service. Supplementary report of Mar. 15, 1919.]

From: Federal director for State of Minnesota.

To: Director general (attention Clearance Division).

Subject: Weekly report of interstate clearance of labor.

Week of Mar. 15, 1919.

Date.	City and State.	Firm.	Skilled.	Unskilled.	Total.
Mar. 7	Owen, Wis.	J. S. Owen Lumber Co.	7		7
	Grand View, Wis.	Willow River Lumber Co.	4		4
8	Dunseith, N. Dak.	Maynard Peterson	1		1
10	Bayfield, Wis.	John Schroder Lumber Co.	11		11
	Medford, Wis.	Medford Lumber Co.	7		7
	Grand View, Wis.	Willow River Lumber Co.	14		14
	Rib Lake, Wis.	Rib Lake Lumber Co.	5		5
	Park Falls, Wis.	Park Falls Lumber Co.	9		9
	Drummond, Wis.	Rust-Owen Lumber Co.	13		13
	Medford, Wis.	Medford Lumber Co.	4		4
	Inkster, N. Dak.	W. J. Glass	1		1
11	Grand View, Wis.	Willow River Lumber Co.		3	3
	Rib Lake, Wis.	Rib Lake Lumber Co.		2	2
	Drummond, Wis.	Rust-Owen Lumber Co.		6	6
	Medford, Wis.	Medford Lumber Co.		3	3
	Knox, N. Dak.	Theodore Peterson	1		1
	Hope, N. Dak.	E. F. Still	1		1
	Willow River, Wis.	Willow River Lumber Co.	1		1
12	Bayfield, Wis.	John Schroder Lumber Co.		13	13
	Madison, Wis.	Jacob Keman	1		1
	Medford, Wis.	Medford Lumber Co.	1		1
	Owen, Wis.	J. S. Owen Lumber Co.	3		3
	Grand View, Wis.	Willow River Lumber Co.	4		4
	Rib Lake, Wis.	Rib Lake Lumber Co.	3		3
	Park Falls, Wis.	Park Falls Lumber Co.	8		8
	Medford, Wis.	Medford Lumber Co.	4		4
	Turtle Lake, Wis.	R. H. Williams Lumber Co.	2		2
	Spain, S. Dak.	R. L. Roberts	1		1
13	Superior, Wis.	Steamer Sonora	1		1
	Medford, Wis.	Medford Lumber Co.	3		3
	Dupree, S. Dak.	W. E. Smock	1		1
	Owen, Wis.	J. S. Owen Lumber Co.	3		3
	Park Falls, Wis.	Park Falls Lumber Co.	13		13
	Drummond, Wis.	Rust-Owen Lumber Co.	16		16
	Medford, Wis.	Medford Lumber Co.	18		18
	Ellendale, N. Dak.	Ed Pehl	1		1
	Goodrich, N. Dak.	Charles Loftus		1	1
14	Aberdeen, S. Dak.		1		1
	Scobey, Mont.		1		1
	Superior, Wis.		4		4
	Beldenville, Wis.			1	1
	Osceloa, Wis.			1	1
	Total		6	192	198

From: Federal director for State of Ohio.

To: Director General (attention Clearance Division).

Subject: Weekly report of interstate clearance of labor.

Week of July 12, 1919.

Date.	City and State.	Firm.	Skilled.	Unskilled.	Total.
July 7	Kansas City, Kans.	Kansas wheat	Farm labor		7
	Monroe, Mich.	Alex. Stewart	Harvest hands		7
	Pontiac, Mich.	A. Bentley & Son		Laborers	24
	Kansas City	United States employment	Harvest hands		3
8	Milbourn, W. Va.	Milbourn By-Products	Miner		1
	Pontiac, Mich.	A. Bentley & Sons		Laborers	13
	Temperance, Mich.	J. E. Krittand	Farm hand		1
	Kansas City, Kans.	Kansas wheat	Farm labor		5
	Kansas City	United States employment	Harvest hands		3
	Kansas City, Kans.	Kansas wheat	Farm labor		6
	Pontiac, Mich.	A. Bentley & Sons	Carpenters		5
	Wamplieu Lake, Ann Arbor, Mich.	The Farm Hotel	Cook		1

Week of July 12, 1919—Continued.

Date.	City and State.	Firm.	Skilled.	Unskilled.	Total.
July 8	Pontiac, Mich.....	A. Bentley & Sons.....		Laborers	8
	Benham, Ky.....	United States Coal-Coke.....		do.....	9
	do.....	do.....	Carpenters		2
	do.....	do.....	Stonecutters		2
	do.....	do.....	Miners		1
10	Terre Haute, Ind.....	Pennsylvania Railroad Co.....	Machinists		4
	Laporte, Ind.....	Advance Rumley Co.....		Laborers	18
	Kansas City.....	Kansas wheat.....	Farm labor		4
	Pontiac, Mich.....	A. Bentley & Sons.....	Cement finisher.		1
	do.....	do.....		Laborers	11
	Kansas City, Kans.....	Kansas City fields.....	Harvest hands		3
11	Boston, Mass.....	United States Merchant Marine.....	Recruits		8
	Lincoln, Nebr.....	United States Employment Service.....	Harvest hands		2
12	Terre Haute, Ind.....	Pennsylvania Railroad Co.....	Machinists		2
	Pontiac, Mich.....	A. Bentley & Sons.....		Laborers	11
	Benham, Ky.....	United States Coal-Coke.....	Carpenters		4
	do.....	do.....		Laborers	4
	Total.....				174

From: Federal director for State of Illinois.
 To: Director General (attention Clearance Division).
 Subject: Weekly report of interstate clearance of labor.

Week of June 28, 1919.

Date.	City and State.	Firm.	Skilled.	Unskilled.	Total.
1919.					
June 21	Grand Rapids, Mich.....	Furniture Manufacturing Association.....	23		23
	Boston, Mass.....	United States board.....	9		9
23	Norfolk, Nebr.....	Square Turn Traction Co.....	1		1
	Devils Lake, N. Dak.....	Northwest Iron Works.....	1		1
24	Duluth, Minn.....	Marshall-Wells Co.....	1		1
25	Newton, Iowa.....	Maytag Co.....	2		2
24	Delaware Lake, Wis.....	Mrs. A. Beckman.....	1		1
	Cedar Lake, Ind.....	Larsen Bros.....	1		1
25	Portage Lake, Mich.....	Portage Point Inn.....	1		1
28	Ragna, Wash.....	Chicago, Milwaukee & St. Paul R. R.....		68	68
	Milville, Iowa.....	do.....		25	25
	Reno, Minn.....	do.....		7	7
	Beverly, Wash.....	do.....		34	34
	Covington.....	do.....		12	12
	Hitchcock, S. Dak.....	Chicago & Northwestern Railroad.....	7		7
	Sebewaing, Mich.....	Pere Marquette Railroad.....	17		17
	Hepburn, Ohio.....	Erie Railroad.....	8		8
23	Michigan.....	Campbell Wyant Foundry.....	1		1
	Indiana.....	Advance Rumley Co.....	1		1
	Laporte, Ind.....	Advance Rumley.....	3		3
21	Kansas City, Kans.....	do.....	2		2
	do.....	do.....	1		1
27	Wichita, Kans.....	do.....	1		1
24	Malden, Mo.....	Matthews & Stubblefield.....	12		12
	Kansas City, Mo.....	Field office.....	5		5
21	Wichita, Kans.....	Kansas City.....	112		112
	Boise, Idaho.....	United States E. S.....	3		3
	Janesville.....	Rock County.....	15		15
	Saginaw, Mich.....	Michigan Sugar Co.....	8		8
	Edgerton, Wis.....	Postmaster.....	10		10
	Total.....				392

From: Federal Director for State of Missouri.
 To: Director General (attention Clearance Division).
 Subject: Weekly report of interstate clearance of labor.

Week of Apr. 26, 1919.

Date.	City and State.	Firm.	Skilled.	Un-skilled.	Total.
Apr. 21	Florence, Kans.	Atchison, Topeka & Santa Fe Ry.		8	8
	Lawrence, Kans.	Union Pacific R. R.	1	38	38
	Oklahoma	Missouri, Kansas & Texas Ry.	2		2
22	Raton, N. Mex.	Atchison, Topeka & Santa Fe Ry.	2		2
	Florence, Kans.	do.		7	7
	Speer, Colo.	Union Pacific R. R.		47	47
	Junction City, Kans.	do.		20	20
23	Shelton, Nebr.	do.		60	60
	Cooper, Colo.	do.		50	50
	Shopton, Iowa.	Atchison, Topeka & Santa Fe Ry.	6		6
	do.	do.		15	15
	Oklahoma.	Missouri, Kansas & Texas Ry.		7	7
24	Kansas	Chicago, Rock Island & Pacific Ry.		45	45
	Shopton, Iowa.	Atchison, Topeka & Santa Fe Ry.	5		5
	Nebraska	Chicago, Burlington & Quincy R. R.		19	19
	Cherokee, Wyo.	Union Pacific R. R.		35	35
	Shelton, Nebr.	do.		22	22
25	Wyoming.	do.		54	54
	do.	Chicago, Burlington & Quincy R. R.		25	25
26	Oklahoma.	Missouri, Kansas & Texas R. R.	2		2
	do.	do.	3		3
	Wyoming.	Union Pacific R. R.		23	23
			20	475	495

Mr. HALL. Pooling and distributing the labor reserve is a Federal function. Granting the necessity of some agency which can pool our national labor reserve and distribute it economically, what can the Federal Government do in this direction which can not be done equally well by State or municipality, by fee-charging agencies, by employers' agencies, or by philanthropic organizations.

Since this question is pertinent to your decision regarding the desirability of establishing a Federal system; since the story of the efficiency of municipality and State in solving the unemployment problems of our recurring crises brings before us also the problem of abnormal unemployment as contrasted with normal unemployment; and since it also tells us the story of the evolution of the idea of a national employment service and indicates the efficiency of free-employment offices at the opening of the war, it will doubtless pay us to cite a little ancient history. Normal employment has received our attention mainly. First, because it is the volume and character of normal rather than abnormal unemployment, which makes an employment service a permanent need. Second, because, if the problem of normal unemployment be solved under normal conditions during normal times, we shall be nine-tenths of the way on the road to preparedness for periods of abnormal unemployment. Our machinery will be in existence and in actual operation, our methods will be established, and the problem of variation from normal will be much less serious than is the abnormal problem projected on a background of inexperience and unpreparedness.

Just what have city and State done in the last 25 years to solve the unemployment problem constructively and to prepare for probable, almost certain, recurrence of unemployment crises? What have they been able to accomplish toward pooling our labor reserve within

local limits? What have they accomplished as clearance agencies? What was their status of efficiency as recruiting and distributing agencies when the United States entered the war?

I will deal with the history of employment offices and unemployment crises, first, 1892-93 and 1901-2.

During the early part of the period under consideration there were two financial panics, 1892-93 and 1901-2. We attempted to relieve the attendant unemployment crises by holding mass meetings of the unemployed, by means of workshops, soup kitchens, bread lines, committees ad infinitum, and hunger parades ad nauseum. Unlimited temporary interest was aroused. Money for relief was pounded out with unexpected generosity, but there is nothing to indicate that we had any national or local conception of the proper sphere of emergency relief in a scientific scheme of provision against unemployment. What did the time, the energy, and the enormous expenditure of money amount to when the depression passed away? Nothing. There had been no intelligent interest, and there was nothing left which was of real value in preparing for the next panic in 1907. A few public employment offices had come into existence and became permanent, but unemployment was still largely a relief problem, and was to be so considered again in 1907. The public employment offices which were instituted were instituted as relief measures, not as scientific means of handling labor problems.

Results of the crisis of 1907-8 were more definite, and failure to solve the problem by relief measures was much more apparent. The excessive labor turnover following the panic was emphasized. The beginnings of a national employment service were instituted under the Bureau of Immigration. By 1909 it was realized that the scope of the work was too limited, and a national conference was called in an effort to increase its scope and efficiency. There were no results.

The same year (1909) the National Employment Exchange was incorporated and opened with a working fund of \$100,000. So vitally important is the organization of this National Employment Exchange that we include complete evidence of its purpose, method, scope of its operations, etc. It is the first recognition, based on definite expert investigation, of the fact that the labor market of this country must be national in scope and it partakes just enough of the character of the fee-charging agency to indicate how, in the course of the evolution of a national employment service, the old ideal was gradually passing over into the new. I submit the following points for your consideration:

1. Dr. Edward T. Devine was appointed to make a study of the need of an unofficial bureau with an organization covering the entire United States.

2. Dr. Devine reported "There is a need at all times, and in periods of even slight depression a very urgent need, of an efficient system to bring together as quickly as possible those who are seeking work and those who are seeking workers."

3. Dr. Devine recommended the establishment of a bureau national in scope but operating under private auspices. In this connection it is most interesting, and decidedly pertinent to the establishment of my thesis, to note that in making recommendations for this national service under private auspices he added that he did not believe that employment exchanges could be operated successfully "by any branch of the Federal Government." That was in 1909. Dr. Devine at that time had left the group which was regarding employment agencies as relief measures and was one of the advanced thinkers

in offering his colleagues a broad vision of a national labor exchange, but under private auspices. In 1919 in a very keen, scholarly, and impartial article. Dr. Devine discusses at length the development of the ideal of the National Employment Service. On page 16 of his article he indicates the definite stages through which all thinkers on employment problems have passed. The second stage as outlined by him is the very stage through which he was passing when he recommended the national service under private auspices in 1909. In 1919 he is an ardent supporter of a Federal Employment Service, appreciates its successes, criticizes frankly its failures, and forecasts an adequate Federal service. This is the best illustration possible of the evolution of thought among leaders in the United States on the subject of Federal responsibility for the solution of employment problems.

4. The object of this bureau as outlined by Dr. Devine in 1909 does not differ materially from the object of a national system as we are hoping to establish it to-day.

5. This bureau employed "runners" who acted as solicitors for men. It was not forced to employ solicitors for jobs, as the demand exceeded the supply.

6. A fee was charged varying from \$1 to \$3. If the demand for work exceeding the supply, the laborer paid the fee; if labor was scarce, the employer paid the fee. The idea was that the employment agency was a business proposition and should be run at a profit.

7. A chain of offices placing different types of labor was established in New York City, but there were no branch offices in other cities of the country.

8. We have a more or less complete report of the second year of service of this bureau as a clearance agency for common labor. Two thousand three hundred and ninety-eight common laborers were cleared among 11 States and Porto Rico. Although the volume of work was not large, as an intrastate and interstate clearance experiment it was a decided success.

9. This bureau is still in existence and is reported to have been permanently successful.

Mr. HALL. Now, as to the development following the panic of 1907:

The first result of the panic of 1907 was a great increase in the number of public employment offices. By the end of 1909 there were twice as many public offices as there had been in 1902. The following table indicates by year groups the development of public employment offices during the periods under discussion:

Year groups and number of offices established each year.

1890-----	5	1906-1910-----	23
1891-1895-----	2	1911-1915-----	36
1896-1900-----	5	1916-----	11
1901-1905-----	14		

Mr. HALL. Thirty-four of these offices seem to have had but one employee.

Between the panics of 1907-8 and 1914-15 the evils of fee-charging agencies became increasingly apparent and the exploitation of workers attracted considerable attention. In 1911 the Massachusetts commission to investigate employment offices included the following recommendations relative to private employment offices in its summarized report: "We are convinced that the best interests of the community demand that they should be thoroughly regulated and supervised by the Government." This is the first official recognition of governmental responsibility along regulatory and supervisory lines. Thus in 1911 we had taken three isolated steps in the direction of a bona fide nation-wide employment service:

1. The Bureau of Immigration had made a feeble beginning of practical placement under the Government.

2. Dr. Devine's report on the establishment of a national exchange under private auspices and the establishment of the exchange had given public recognition to the necessity of a centralized labor market.

3. The Massachusetts commission had indicated its belief in placing the ultimate responsibility for the welfare of the workers of the Government by calling upon it to assume regulatory and supervisory powers.

On June 11, 1913, Mr. W. M. Leiserson, superintendent of Wisconsin employment offices, issued a call for a national conference of public employment officials to discuss the desirability of forming a national organization. In his letter he makes the following statement:

The National Conference of Immigration, Land, and Labor officials adopted resolutions requesting the new Federal Department of Labor to take steps to coordinate the work of State employment agencies; but it hardly seems probable that the Federal Government will act until we start the movement ourselves.

Mr. HALL. From the call for this conference down to the present there is abundant evidence in the reports of the National Association of Public Employment Officials to indicate that among the various shortcomings of State and municipal offices, which they frankly admit, there was a certain type of failure which could not be turned into a success without adopting one of the two systems:

1. A very close cooperation, both intrastate and interstate, through some coordinating official organization such as a national association; or,

2. Coordination of local efforts through leadership of the Federal Government.

The constitution of this association indicates that the need in 1913 for some national directing and coordinating agency was just as essential as it is to-day.

When the panic of 1914-15 came along we had a repetition of soup houses, workshops, bread lines, and we added, not a constructive national employment service, but "Hotels de Gink."

At least 24 States appointed mayor's committees. Massachusetts seems to have been the only State which organized for relief purposes.

After the panic was over, what did we have as a result of either the repetition or the only important addition? We had no definite results, but we did have a certain series of facts which indicate that the movement in favor of handling unemployment on a national scientific basis was rapidly gaining ground:

1. In 1914 the war had increased immigration, and trade depression had increased normal unemployment. The employment service demands made upon the Bureau of Immigration increased to such an extent that it was impossible to continue to depend upon it for employment functions even were no other factor than numbers considered.

2. Fee agencies began to receive more attention. False advertising for workers by newspapers, and sometimes by business houses, was severely criticized. Lescohier cites an instance personally known to him of false advertising in one of the Middle Western States. During the panic of 1915 this particular advertising caused such an

inflow of workers from neighboring States that public schools had to be opened for the men to sleep in. Each man was given a newspaper to sleep on. He adds, "One who wishes to understand the bitterness of many workers toward the men of well-to-do classes should stop to imagine the state of mind of these men who had come several hundred miles to a badly overcrowded labor market because of a false representation of industrial conditions in the newspapers." The same writer also cites most valuable evidence regarding abuses of fee agencies.

Because of the extensive treatment which we have given the subject of fee agencies in another section, I omit further evidence at this point.

3. During the period 1913-1915 the number of public employment offices was greatly increased. At the close of 1916 there were 96 public offices of which one-half had been established since 1910. Almost without exception officials in charge of these public offices were demanding that a national system be instituted to aid in overcoming many of the obvious deficiencies in the local service.

4. The National Association of Public Employment Officials was formed with the definite purpose of improving public employment administration and methods. At the Chicago meeting, June 6, 1917, the following resolution was adopted: "That the American Association of Public Employment Offices recommends to Congress the immediate establishment of a National Bureau of Employment offices under the United States Department of Labor."

5. The employment managers' movement was the direct outgrowth of the problems of unemployment during the crises. Employment service within the industry is just as important as is an employment service to aid in selecting the industry. One of our greatest hopes in the future, especially in solving the labor turnover, is the cooperation which is possible and which is bound to come between the individual employment manager and the national employment service.

6. The vocational guidance movement in our public schools received a fresh impetus and it is now generally admitted that placement is essential to the complete system of vocational guidance, and that nothing except a national system of employment offices will permit educational efforts to function under the most favorable conditions.

7. The feeling among thinking people that we had too long been trying to tide over recurring periods of demoralization by relief methods increased. Expression that some Nation-wide preparation must be made for meeting future crises was almost universal. The panic of 1914-15, with its history of mayor's committees and its vast expenditure for out-door relief, was followed by two or three very significant and scientific studies of problems of unemployment.

Next we will consider the status of employment situation when the United States entered war. First, the public employment agencies:

The evidence which we have submitted indicates that at the time of our entrance into the war there were 96 public employment offices conducted by State or municipality. There was little or no correlation between offices most of which had been established in response to evils arising from abnormal unemployment and the abuses of the fee-charging agencies. It also indicates that public employment

offices were in their origin regarded as machinery for the solution of relief problems rather than as machinery for the solution of industrial problems.

The State offices had done little or nothing to pool the labor reserve even within their own limits. Fee agencies were making a success of the employment business, were increasing in numbers, and at the same time increasing decentralization of the labor market and labor turnover. Employers' associations, dissatisfied with the public offices and not caring to patronize fee agencies, were instituting their own agencies and developing scouting systems.

Expense of the scouting system and its methods are indicated in the following quotation. I would call attention to the fact that the Hood Rubber Co., through its assistant general manager, George H. Dale, testified against the United States Employment Service on July 14, 1919.

Mr. Sparrow, Hood Rubber Co., Watertown, Mass., Employment Managers' Con., 1916:

Another source of supply is outside of our town or city and outside of Massachusetts, including the entire New England States. We desire to get in touch with the class of people who come from the small country towns and want to work for a growing concern. We have at present two representatives covering the entire New England States looking for employees.

This same firm would doubtless use a Federal clearance, as the speaker states that they are using the private agencies, and if they secure men through them who remain in their service a year they refund the fee charged for securing the position. He states that this fee is in the first week's wage.

Philanthropic organizations were serving a certain type of workers, but their efforts were spasmodic.

The most interesting fact in connection with the status of the public agencies at this time is that no student of employment problems has been more cognizant of their failures and shortcomings than were their own officials. One who wishes to analyze the fundamental weaknesses of State and municipal offices will find all of the evidence for this purpose in the publications of the proceedings of their national association and in the reports of the States in which they were operating:

1. They were increasing labor turnover by emphasizing number of men placed rather than quality of service rendered. This they were forced to do in order to secure even a small appropriation from the State.

2. They were not studying their local market in order to, stabilize it.

3. They were not securing sufficient financial support to solve their problems as they knew they must be solved. Lack of proper financial support by local authorities has been cited time and again as one of the chief reasons why State officials desire a national employment system.

4. They recognize that in the first instance the employment problem is and should be a local problem. A Federal system that ignores city and State, that duplicates it, or competes with it, is bound to be a failure. They recognize, on the other hand, that they have not been able to analyze and solve the problem of recurring unemploy-

ment, and that their experience in one crisis has not pointed the way to preparedness for the next. Recurring trade depressions seem to have done more than any other one thing to convince local employment officials that the Federal Government can render a certain type of employment service which neither State nor city can afford.

Lescotier says: "The State offices did not and can not organize the labor market." He speaks authoritatively, not only as a student of employment problems, but also as a practical State official who has tried to solve the problem in his own State and failed. In accepting his opinion we are accepting the opinion of nearly every practical public employment official who has been honestly striving to meet his responsibilities, and we are accepting opinions which are open to verification by means of published facts. No further evidence is necessary to prove that the States and the municipalities have not handled and can not handle the employment problem.

I would not leave the impression that the States have made no contribution to constructive policies. New York, Massachusetts, Ohio, and Wisconsin have all made a definite contribution along the lines of State centralization. Wisconsin has lead the way in cooperative financial agreements between city and State, while Massachusetts has experimented with specialized departments.

What have the fee-charging agencies done toward pooling and distributing the labor reserve? Nothing. As has been intimated before and as is obvious from their character and purpose, they have encouraged rather than discouraged decentralization and labor turnover, and there is no possibility of a chance of their ever controlling the labor market or organizing a national clearance system.

Prohibitive fees will always prevent such agencies from meeting universal individual need with universal service. The prohibition imposed by fees affects two classes—the penniless unemployed to whom any fee is prohibitive and the skilled worker whose wage for one reason or another may be below living standard but for whom the minimum fee is usually 5 per cent of the annual salary. In connection with the first type of applicant I desire to call your attention to the fact that in 1909 when the State of Indiana first made provision for free employment offices there was considerable opinion favorable to charging a nominal fee. Efforts to secure requirement of such a fee resulted in a unique provision of the law to "include sufficient postage for all replies." Under this provision all applicants who had money were obliged to pay postage. During the first quarter of the bureau's existence nearly half the applicants placed could not pay the postage asked for. During the first year there were 5,038 applications, 2,857 positions offered, 2,387 filled. This one instance is definite proof of the great need among wage earners for some agency which can help them to find opportunities to work without charge.

There will always be some employers who will prefer to use fee agencies as a medium of exchange. Surely the public could offer no objection to the conduct of a labor exchange under private auspices provided there was some uniform standard as to what constituted a legitimate fee for service rendered and that methods of operation were in harmony with the well-being of society. The

condition at this time regarding this subject is most deplorable. Lescobier has summarized it most admirably, and I quote from his manuscript of the book "Labor Market":

The lack of any standard of legal fees to be charged enables the agency to fix the fee according to conditions of the labor market and in individual cases according to the intelligence of the men seeking a job. When many men are out of work and employment scarce, a high fee is charged; when men are scarce and jobs plentiful, they charge a low fee. Even in times when work is plentiful exorbitant fees are charged if the applicant is unfamiliar with our language, feeble-minded, intoxicated, or otherwise unable to protect his rights. The general principle is to charge "whatever the traffic will bear." And the more incompetent the worker is to protect himself the more he pays and the more liable to be sent out to misrepresented work.

It is impossible to secure any accurate statistics from fee agencies as to number of placements, total profit, or uniformity of regulation and placement fees. We do know that there are about 4,000 fee-charging agencies operating in the United States; that the cost to workers runs into millions; that profits are enormous; and that the economic loss to the workers is very great. Charles B. Brown, in the New York Tribune, February 6, 1919, estimated that the minimum collected by employment agencies in New York City was \$2,500,000, while the Ohio Industrial Commission estimates that in 1917 it saved the 175,955 workers whom it placed \$350,000. Quite recently the manager of one of these private agencies in Minneapolis has estimated that the annual harvest of his agency was approximately \$500,000.

Abuses of various kinds, in addition to exorbitant and uncertain fees, tend to make fee agencies unpopular with a certain type of both employer and employee.

These abuses have been summarized so many times, are so universally familiar, and so universally accepted that I pass over the subject with a list of references which may be read if you wish and which are much more convincing in their argument than anything I could offer you. I wish, however, to offer one series of letters prepared from United States Employment Service correspondence in the months of February and March, 1919. This correspondence relates to one State and I submit it as final verification of my statement that the abuses of fee agencies have covered a long period of years and are in active operation at the very time of these hearings.

Typical reports on abuses of fee-charging agencies, taken from reports to a Federal Director, United States Employment Service, and made to him by his local superintendents in February and March, 1919:

Report 1.—In regard to the B—— agency, we have information from the attorney for the charitable organizations of the city that there is suspicion of a conspiracy between this agency and some of the small Greek restaurants, the scheme being to direct a man to a restaurant after collecting the fee, which we believe is \$2 * * * the restaurant giving him employment and discharging him after two or three days.

L—— has had some local trouble and, we believe, a police record. Our investigator could find no trace of him or an employment office at this address.

Report 2.—In regard to the I—— agency, we had considerable trouble, as they would charge \$2 to register an applicant and would then send him to a factory which had never applied to them for help, only to have the applicant referred by the factory to us for placement.

Report 3.—It appears that the private agencies of X——, not content with the fee, adopted a further policy of extortion, as follows:

On a shipment of about 30 men from this district they * * * were taken by the most circuitous route that could be devised. On arrival in —— each man was presented with a statement of the expense incurred and each man was charged with the expense of a guide, so that the man who took charge of them at —— (the shipping point) represented an individual guide to each workman, for which the workman paid. The total expense, as near as can be ascertained was in the neighborhood of \$35 * * *. A report made to me personally told of the most flagrant injustice and inhuman treatment after reaching the point where the men disembarked for the woods; of a trip on foot of 30 miles, with little food and no accommodations. The aggregate injustice and inhumanity which has come to our attention as a result of these private employment offices * * * is so appalling that it seems to me Congress should have the matter placed fairly before them, where I know in the interests of humanity some action will be taken to obviate this very serious condition * * *. A local office like this comes in constant contact with these acts of injustice and these policies of the private bureaus which make against permanency of employment, disrupt the social life of the community by overturn, develop inefficiency, discourage honorable men, and in fact constitute to-day one of the greatest menaces to good citizenship that exists in any community.

Report 4.—Mr. M—— complains that the R—— agencies have supplied him with non-English-speaking maids, each on two occasions, inducing them to leave as soon as the fees were collected for "better" places.

Report 5.—The G—— agency is most complained of by employees. Fees are collected from applicants before they are told where the jobs are, and often jobs are filled before the applicant can get there. * * * A refund can not be secured without a lawyer's letter. M. S., general houseworker, who has references as to honesty, efficiency, and respectability, paid \$4 and was sent to several places, some being filled * * * one being for work she could not do, and one being of doubtful desirability * * *. She "threatened police" whereupon the money was returned. K. and B. G. paid \$6 and were given places where the employer proved mentally "queer." The agency collected \$8 and sent them to a place which had been filled a week previously. She never did any more for them and would return no money, as 30 days had elapsed since they first went to her.

All names and addresses of the foregoing are on file with the United States Employment Service.

Private agencies can not develop equitable clearance. The methods of a clearance system operated in the interests of the employer, the employee and the community will frequently be in direct opposition to those which must be utilized for financial profit; social profit and private financial profit are bound to conflict.

A socially efficient clearance system will clear workers only when there are no equally good demands for their services locally and then it will clear them with the least possible expense and inconvenience to both parties. The financially efficient private system will clear when there is an opportunity for profit. A socially efficient system will handle railroad clearance, and other essentially interstate problems, with a view to stabilization of both local and interstate market, whereas lack of stability in the labor market frequently increases the opportunity for financial gain to the private agency. The socially efficient clearance system will protect the rights of all parties concerned. When it distributes applicants in many States it will secure and use such knowledge of employment legislation as is essential to justice. We know that private agencies do not do this and there is no especial inducement to them to do so.

Private agencies have no uniform agreement regarding clearance and as we have no national regulations on this subject no matter

how carefully an individual State may regulate intrastate clearance such regulations are void after the State line is crossed. The only way to avoid interstate abuses is by uniform regulation. The fee agency often has no responsibility to the State from which it draws its labor, no responsibility to the old employer, no responsibility to society. Its interest is in the new employer and the applicant. Is it any wonder that much of its procedure can be justified by no better theory of business ethics than the old "caveat emptor" and similar creeds—creeds which are more and more coming to be held by American courts to be inimical to the public good when the business involved partakes of the nature of a public service.

A question was asked by a member of the committee relating to fees charged by private agencies and I have had compiled from such data as are obtainable a table relating to that subject, which, with the permission of the committee, I will file at this time.

The CHAIRMAN. Without objection, permission will be granted.

(The table referred to is printed in full in the record as follows:)

Fees charged by private agencies.

[Unless otherwise specified, fee covers both registration and placement. Amounts in dollars indicate flat rate. Amounts in percentages are based on one month's pay.]

States.	Number of agencies.	Fees charged under State license system.		Fees charged under no legal control.	
		Usual.	Maximum.	Usual.	Maximum.
Alabama.....	5	\$2 up.....	\$3 registration (legal limit).	.....	.....
Arkansas.....	8	.....	\$2 registration (legal limit).	.....	.....
California.....	181	.....	10 per cent placement, 10 per cent (recent law).	\$2 and 60 per cent (until passage of law).	60 per cent (until passage of law).
Colorado.....	34	\$1-\$2 registration, \$1 and 40 per cent placement.	\$2 registration, 40 per cent placement (teachers et al, not under legal control).	.....	40 per cent.
Connecticut.....	10	\$4 and 20 per cent (each from employer and applicant).	\$3 plus 20 per cent (each from employer and applicant).	.....	.....
Delaware.....	9	.....	.....	\$2-\$5 (\$1 from employer).	.....
Dist. of Columbia.	12	\$2.....	.....	\$2 and 10 per cent.	12½ per cent.
Florida.....	2	.....	.....	.....	.....
Georgia.....	9	\$0.50-\$1.....	\$1 (legal limit).....	.....	.....
Illinois.....	315	\$2 and 60 per cent.	60 per cent.....	.....	.....
Indiana.....	13	\$1 and 10 per cent.	10 per cent (legal limit).	.....	.....
Iowa.....	30	.....	.....	\$1 and 25 per cent.	25 per cent.
Kansas.....	7	.....	.....	5 per cent up.....	60 per cent.
Kentucky.....	3	.....	.....	\$4 plus 33½ per cent and 50 per cent.	\$4 plus 50 per cent.
Louisiana.....	20	10 and 25 per cent.	25 per cent.....	.....	.....
Maine.....	6	.....	.....	\$1-\$2.23 (\$1.25 from employer).	\$2 plus 120 per cent.
Maryland.....	50	.....	.....	2½ per cent.	.....
Massachusetts.....	190	Left to local licensing board, teachers exempted from law.	25 per cent (Boston only).	\$1.50 and 12½ per cent (each from employer).	60 per cent (teachers exempted from law).
Michigan.....	37	10 per cent.....	16 per cent (legal limit).	.....	.....
Minnesota.....	62	\$1 plus 60 per cent.	60 per cent.....	.....	.....
Missouri.....	56	.....	.....	\$1-\$5.....	10 per cent and \$50.
Montana.....	15	\$1-\$5.....	\$5.....	.....	.....
Nebraska.....	20	\$1-\$3.....	\$2 plus 25 per cent.	.....	.....

Fees charged by private agencies—Continued.

States.	Number of agencies.	Fees charged under State license system.		Fees charged under no legal control.	
		Usual.	Maximum.	Usual.	Maximum.
Nevada.....	1	.....	.....	.....	.....
New Hampshire.....	100	.....	.....	\$3-\$25.	\$25.
New Jersey.....	62	10 per cent.	10 per cent (legal limit).	.....	.....
New Mexico.....	2	\$1-\$3.50.	\$3.50.	.....	.....
New York.....	1 744	.....	.....	.....	.....
North Dakota.....	4	\$1 and 10 per cent.	10 per cent.	.....	.....
Ohio.....	44	.....	.....	.....	.....
Oklahoma.....	4	\$1 up.	.....	.....	.....
Oregon.....	17	\$1-\$7.50.	\$7.50.	.....	.....
Pennsylvania.....	233	\$1-\$3 (common labor).	\$1 registration, 10 per cent placement.	.....	.....
Rhode Island.....	28	\$1-\$2.	.....	.....	.....
South Carolina.....	2	.....	.....	\$1 plus 25 per cent	60 per cent.
South Dakota.....	2	\$1.	5 per cent.	.....	.....
Tennessee.....	9	Anything they can get.	75 per cent.	.....	.....
Texas.....	18	\$2.	\$2 plus 25 per cent.	.....	.....
Utah.....	14	8 per cent (legal limit).	8 per cent (legal limit).	.....	.....
Vermont.....	2	.....	.....	5-10 per cent fee from employer.	10 per cent fee from employer.
Virginia.....	6	\$1-\$3.	\$3 (legal limit).	.....	.....
Washington.....	51	.....	.....	\$1-\$10 (average \$2.50).	50 per cent (unusual case).
West Virginia.....	3	\$1, anything they can get.	.....	.....	.....
Wisconsin.....	18	\$1 (common labor) \$1 up (others).	72 per cent.	.....	.....
Wyoming.....	5	\$1, as much as possible (license law recently passed).	.....	.....	.....
Total.....	2,463	.....	.....	.....	.....

¹ 1916 figures should be increased.

Idaho prohibited.

Mr. HALL. There is but one logical conclusion to our discussion regarding the ability of the agencies which were in operation at the opening of the war to solve the problem of pooling and distributing the labor reserve. No agency has made any definite contribution to the solution of the problem, and no agency can do so without coordination through some central administrative agency.

Our national employment situation at the opening of the war is best summarized by Dr. Devine:

At the time of our entrance into the war the outfit of the country in the way of employment agencies was made up of some 96 public bureaus conducted by States or cities, about 4,000 private fee-charging agencies, the limited service for immigrants and others maintained by the Federal Government, and an unknown number of philanthropic efforts doing a restricted kind of business not very great in aggregate volume and hardly touching the normal economic life of the country. Several States had established State systems, but that of Ohio was the only one which was found to be adequately equipped. New York, Massachusetts, Wisconsin, and a few other States—10 at the outside—had what might be called systems of free public employment bureaus. Twenty-six States had passed laws of some kind authorizing their establishment.

The war very literally put the national service "on the map."

Now, as to the operation of the United States Employment Service during the war.

Immediately after the last panic the United States entered the war. During the industrial emergency which followed industry was temporarily subservient to national military needs. The United States Employment Service was instituted, as a war emergency, to

aid in carrying out the subserviency of industry to national needs. This is the basis for the attack which certain groups are making upon the service—it is their reason for opposing continuance—that the service helped to make industry subservient to national needs. They fear that the rights of industry will be permanently infringed if the service is continued.

I believe that I know and am able to estimate impartially both the weakness and the strength of the United States Employment Service. I believe, also, that I have a fairly clear vision of the great opportunity for national service which is involved in the permanency of this institution. I do not, however, ask you to accept my estimate. In lieu of such personal opinion I offer you the quoted estimates of Prof. D. D. Lescoghier, Dr. Edward Devine, R. C. Davison, of the English Labor Exchange and recently a visitor in this country, and Industrial Management. Each of these witnesses is cognizant of the weakness of the service. Each also has grasped the significance of the United States Employment Service as an agency of reconstruction and has visualized for it a future of unexcelled national opportunity and service.

Estimate 1: R. C. Davison, British Labor Exchange.

England can learn something from the United States Employment Service.
* * * When one considers the fact that your national employment system had to be installed suddenly and throughout the country at the same time and function while it was building, America has done a remarkably good job.

Estimate 2. Dr. Edward Devine, in *The Survey*, April 5, 1919:

Though "born of the war and tested by it," it may well be that in years to come the United States Employment Service, which was left without resources by the failure to pass the general deficiency bill, will be remembered for its contributions to the theory, science, and practical development of a permanent national system rather than for its spectacular success in mobilizing man power for war industry during a few months or in coordinating the resources of the country in the interest of returning soldiers and sailors. In the brief period since January, 1918, when the service was reorganized as a separate unit of the Department of Labor and especially in the fraction of that period—only four months—between the signing of the armistice and the news that its appropriation had failed, a phenomenal progress has been made. Under the stimulus of the emergency and with the fervor of patriotic enthusiasm, it has been possible to accomplish in 14 months what might have required 20 years or more in ordinary times. * * *

It is clear, furthermore, that those chiefly responsible for the development of the employment service have had in mind its possibilities in normal times, when the present emergency due to the war shall have passed. Social workers seem to have taken its continuance for granted, and to have been surprised by the unfavorable attitude of some Members of Congress—though if they had been properly alert and not too much preoccupied with other things they might at least have counteracted the protests of unfriendly employers and private employment agencies which at one time seemed not unlikely to defeat the appropriation even before the final paralysis of the filibuster. Finally, the reaction of the public to the announcement of March 13, that it would be necessary to cut down the number of offices in the country to 56 is evidence of the place which the service has won for itself in the general estimation. Within 10 days enough money had been pledged by States and cities, by chambers of commerce, labor organizations, Red Cross chapters,

and various other voluntary bodies and individuals to insure the continuance not only of the special bureaus for returning soldiers and sailors, but also of at least 400 of the 750 general local offices; and telegrams were still coming in.

This does not mean that there is nothing to criticize in the brief past and precarious present of the United States Employment Service. On the contrary, there are many shortcomings and some mistakes. These mistakes and shortcomings are realized within the service keenly as by any one outside. They can be the more easily corrected in this interval of reduced and simplified operations.

It can not be denied—and no one seems disposed to deny—that there has been inefficiency in many offices, and that there have been many employees whose "separation" from the service will be no loss to it. There has been no strong, consistent directing policy, but too much shifting in organization and in division of responsibility between Washington and the States. The staff of experts and specialists at national headquarters has undoubtedly been larger than necessary—"too many grand opera stars," one observer expresses it. This has made the administration top-heavy, and accounts for some of the vacillations in policy. Furthermore, even aside from the regrettable absence of the director general for a long period at a critical time there has been much uncertainty as to the location of final responsibility.

In this respect the situation has closely resembled that which prevailed too long in the Bureau of War Risk Insurance in the Treasury Department. The official head in each case was one of whom all have spoken well personally and who had the complete confidence of the Cabinet member to whom he owed his appointment. In each case, however, an assistant secretary and numerous special experts exercised more or less authority or influence; and in each case the result of such division of authority and such uncertainty proved to be adverse to good administration. Perhaps it would not seem fanciful even to discover an analogy between the nucleus of the War Risk Bureau in the little bureau for insuring hulls and cargoes and that of the Federal Employment Service in the scheme in the Bureau of Immigration for distributing immigrants. * * *

Such shortcomings and defects as have been indicated are incidental to creating under pressure a vast organization to perform functions not clearly understood in advance except by a handful of persons. The official estimate is a moderate one that five years would be needed to get an adequate national employment system into operation. As much as that would be required if all the conditions were favorable. With prejudices on the part of influential elements of the public to overcome, with uncertainties as to financial and moral support, with the necessity for legislation to settle certain questions as to scope and relations to the status, five years would not have been time enough to build up a thoroughly efficient personnel, from director general in Washington down to the "examiner" in the smallest local office, to perfect the organization from the administrative point of view, and to realize effectively the new conception of the part which a Federal employment service may take in our national program. * * *

Some of the Federal directors were able and admirably qualified for their responsibilities; some were not. Some of the "examiners" were energetic and intelligent and quickly became competent to carry on an office; others were better adapted to the position of janitor. There was undoubtedly more or less "politics" here and there; appointments made on the one hand to conciliate organized labor, on the other to win the approval of employers.

Estimate 3: Industrial management, June, 1919, p. 506.

No intelligent supporter of the service would try to maintain that there are no grounds in isolated cases for these statements. But the service, as a whole, can not be attacked in any such wholesale manner. It was developed as a

war measure and was organized and administered under the same difficulties that faced the manufacturer of munitions, building of ships, operation of our railroads, creation of our Army; in fact, the work of all the agencies that faced new problems because of war conditions. These general charges of failure would already have been made against many war-time agencies to a degree amounting probably to scandal if the armistice had not been signed when it was. Mistakes were made, to be sure. The service as it now exists is far from being perfect. It is possible that it should be severely reorganized. But that we need a national employment service no impartial person who has a knowledge of industrial conditions can attempt to deny.

Mr. HALL. But in spite of all of its difficulties and weaknesses it accomplished a remarkable result in labor placement. During the year 1918 it received orders for 8,799,798 people; registered 3,122,581 applicants for work; referred approximately 3,985,390 to positions, and received reports from employers that 2,371,677 of them had been employed. In six months it moved 163,000 unskilled laborers to other States. It is estimated that the Service saved wage earners \$8,000,000 in fees. It is impossible to compute what the service meant to employers in decreased turnover and increased production. Nearly 368,000 women obtained positions through the service in 10 months; and a large number of technicians for various Government departments. Between July 1 and December 31, 1918, it placed 7,500 handicapped men. After the armistice was signed it established 1,850 bureaus for replacing soldiers and sailors in employment, and through its branches in Army camps helped the soldier to go from the camp to employment.

But these items do not represent the total benefits rendered. Two of the most valuable effects of the service were the checking of reckless labor recruiting by employers and the restraint it imposed upon the private employment agencies. Equally important, if not more important, was its weekly collection of information upon conditions in the labor market throughout the country. For the first time in its history the Nation was able to obtain reliable information upon the current demand and supply of labor in all sections of the country. Employers were able to forecast the labor side of their production problem in a way that had never been possible before. Labor market data, comparable with stock and community market data, was available.

The employers of this country are undoubtedly in favor of the Federal Employment Service. At the annual Conference of Employment Managers, Cleveland, May 21, 1919, out of a registration of 1,006, the following vote was cast with reference to the continuation of the United States Employment Service:

1. Do you favor the continuation of the United States Employment Service as organized for the war emergency? Vote: Yes, 63; no, 275.

2. Do you favor trying the experiment of a Federally directed Employment Service so organized that it will properly serve all the elements in the community? Vote: Yes, 210; no, 140.

Inasmuch as none of us favor the continuation of the employment service as organized for the war emergency, this vote by one of the most representative organization of the country is decidedly complimentary to the service.

Next I will take up the operation of the service since the armistice:

With the signing of the armistice, the employment service was confronted with an entirely new and vital problem. The military and

industrial Army was about to be demobilized; war workers were compelled to resume their peace-time activities; war contracts, totaling into the billions, were about to be cancelled, thus throwing out of employment tens of thousands of workers. The machinery of the employment service must, therefore, be reversed from that of a labor recruiting agency to that of a job-finding agency. That such reorganization was successfully accomplished is, to some extent, indicated by the fact that from the signing of the armistice to May 1, 1919, the United States Employment Service has had applications from 2,945,445 persons requiring assistance in finding work, of whom 328,340 were soldiers. The service has been fortunate in placing in positions 1,949,615 persons, or an average of 81,000 a week.

The Sixty-fifth Congress failed to pass the deficiency bill. A second reorganization problem confronted the United States Employment Service. It was able to continue in operation only about 50 out of its 780 offices. States, cities, welfare organizations, chambers of commerce, labor organizations, private firms, and individuals pledged funds to the amount of about \$200,000 per month. This universal recognition of the desirability of maintaining the service resulted in our being able to operate 450 offices; to supplement the regular offices with about 3,000 emergency bureaus dealing with soldiers and sailors; to build up an overseas service whereby soldiers might register before embarkation, and above all else it encouraged us to believe that the United States Employment Service had made a place for itself in the service of the Nation which could be, should be, and would be made permanent.

Everywhere to-day there is a tendency toward coordination and centralization. Every organization which amounts to anything has a national system—chambers of commerce, employers' associations, Y. M. C. A., Boy Scouts, rotary clubs, labor unions, etc., all are centralized. The reason for centralization is that their problems are similar and there is a universal desire to fund information for the benefit of the branches. In this connection it is quite obvious that the movement for a United States Employment Service is not temporary. It is not the result of war but is a response to an underlying trend of our economic life has been developing continuously for a period of 25 years or more.

As a final argument on the necessity of continuing the service I submit a collection of opinions which represent the most progressive thought of America and of the world:

Let me submit a few published opinions on the necessity for continuing the employment service for centralizing the labor market under Federal Government.

Report, commissioner of labor, Minnesota, 1913-14:

Even if the private agencies did not stoop to unfair and dishonorable practices it is apparent upon a little reflection that the fundamental need in the organization of the labor market—a central clearing house where every demand for work can be brought in touch with its corresponding demand for help—can not be provided by the private agencies. There should be one central clearing house with which every local agency would be affiliated and to which every local agency would send every unsatisfied demand for labor or for help, and which could shift orders from one local agency to another and thus give every applicant the highest possible number of chances of having his needs supplied. The larger the number of offices in existence (unless they are parts of a unified system) the more disorganized the labor market is and the greater the chances are that when a man applies for a given kind of work he will not get

his job because the employer offering that kind of work has filed his application at some other agency. Within each State there should be a single system of employment offices to which all offers of employment and all requests for work would be brought, and through which each employer and each workman would have the maximum opportunity of service. These State systems should be, and in time will be, coordinated into a national system of employment offices supervised by a central office and assist in the interstate shipment of labor.

Report of New York Commission on Employers' Liability, April, 1911, appendix 11, page 169, by Lyndon Bates:

To get down to this particular subject about the fact of unemployment, I believe everybody who has been in politics in New York, and had an average of about 10 men a day at times come up looking for work, and simply going to their assemblyman or alderman because he is the outward and visible sign of officialdom, where you see apparently about half of those men are clean, decent, hard-working people that simply can not get work, you could get a pretty good idea of the fact that very certainly unemployment does exist, and when you have seen these men in the course of a year or two years go down into the lower ken you can not help feeling a certain amount of sympathy and a desire that some of the brains and some of the intelligence of the body politic be put into this problem.

Barrett, pages 271 and 272:

It is inevitable that the Federal Government must take a hand if we are to have a national system of employment offices. But is the function of mere coordination assigned to the Federal Government the proper limit of its part in a national system? My own construction is that the system should not be merely coordinated by the Federal Government, but that the entire system should be centralized and intrusted to the Federal Government. I shall present briefly the advantages which a centralized Federal system, in my opinion, would have over the dual system described by Prof. Seager.

1. The first great advantage of a centralized system would be the enormous saving of expense. Under the dual system a whole set of officials must be maintained whose only duty would be to bring about the coordination of the parts of the system. If the Federal Government had exclusive control, the coordination would be achieved with only a fraction of the effort, since the local officials would be directly under the control of a single executive head.

2. The second advantage lies in the superior personnel of a purely Federal service. In the first place, the service would be more attractive and a better class of officers could be secured. Secondly, the danger of purely political appointment is very much greater in the State-managed system than it would be in a Federal system. * * * Prof. Seager expresses his anxiety that the Federal appointments may be made spoils for the spoilsman. * * * It will be comparatively easy to put the clearing houses under civil-service rules, but if the officers with which the laborers come into actual contact are named by political incompetents, the system will be rotten at the bottom.

3. A centralized Federal system would be run on uniform rules which would represent the national view of the attitude which employment offices should take in the struggle between capital and labor. It is possible, of course, for the Federal Government to lay down certain rules as to the conduct of the subsidized State employment offices, but the spirit in which those rules will be carried out can not be guaranteed. The various States differ widely in the character of public opinion on the labor question. Can anyone doubt that these differences will show themselves in the manner in which State officials conduct the employment offices? * * *

4. There is no question that the workmen in most, if not all, of the States would give their confidence more quickly to a centralized system on account of the greater prestige of the National Government. * * * The ultimate aim should be a centralized national system.

Leiserson, 1916, said:

We need no more investigating commissions to tell us that the first step in any program in dealing with unemployment must be to organize a national system of labor exchanges. Just as the first work of the Federal Reserve Board was to unite all the banks of the country into one system, so the first duty of the United States Employment service must be to organize all the employment offices into one system of labor exchanges.

National Association of Corporation Schools, fourth annual convention, page 10:

The movement which gives large promise of placing satisfactory employees and the stabilizing of labor is the opening of free employment bureaus by States and cities. Industries should actively cooperate with these public agencies. The applicant is not required to pay the fees usually charged by private agencies, and the employer encourages the public agencies to place all grades of labor.

National Association Public Employment Offices, Chicago, June 7, 1917:

In the 1917 meeting of the Public Employment Offices it was agreed that one of the immediate duties of the association was to work out a plan for a national organization. That the association was responsible for framing a workable national system of public employment offices; that the organization should should study the administrative details of the employment business, seek to improve methods, and to secure uniformity and cooperation among offices. The disadvantages of State and municipal offices with no central system were thoroughly understood.

"A Clearing House for Labor," D. D. Lescohier in the Atlantic Monthly, June, 1918, page 779:

We must have a system of employment offices, national in scope and monopolizing the whole employment business, which will be so carefully worked out that every worker can be placed in the nearest job that he is able to fill and will have access to every job open to a particular capacity. Our system must be able to keep every workman employed with the maximum steadiness; must be able to sift and classify the laborers, so that individuals who have a tendency to degenerate into casuals may be spotted and if possible held to steady employment; and must be able to sift out and furnish employers with the kind of men they want. It must dovetail the industries of every locality so as to use every man in the locality as steadily as possible in that locality.

To accomplish these manifold purposes we must have a national system of employment offices, with adequate branch offices and a clearance system for transferring and splitting up orders among the offices. * * *

This clearing house system, if it were combined with a monopoly of the labor market, would enable the public employment offices to check labor migration by always finding the nearest man who is competent to fill the position. We should not then have men leaving Chicago to fill jobs in St. Louis at the same time that men are leaving St. Louis to fill the same kind of jobs in Chicago. The pressure would then be put on the men to make them remain where they are, instead of to cause them to move. Within a big labor market like New York or Chicago tens of thousands of jobs would be filled annually by local men which are now filled by outsiders; tens of thousands of men kept at home who are now emigrating to other localities.

The effect which such a system of offices might have upon labor turn-over is even more important. That portion of the labor force which is most frequently changing jobs would soon be recorded in the files of the employment offices. A glance at a workman's card would show his history—whether he was a casual, and irregular laborer, or normally a steady man. It would show the kind of work he has followed. Any local office desiring further information concerning a certain man could quickly get it by telephoning or telegraphing other offices in which he was registered. The sifting of men and their individual treatment would become a practicable possibility instead of a theoretical idea. The office could use pressure to hold a man steady.

The record of employers would be equally useful. Those plants which would yield excessive turnover could be easily sifted out, and the matter brought home to the attention of their managers. By personal interview, bulletins, and correspondence the offices could call to the employers attention the causes of excessive turnover, its cost and its treatment. The criticism of workmen against individual firms could be brought to the employer and the faults corrected.

But most important of all the advantages are two: That the market for labor would be centralized, and that those in charge would be interested in serving the needs of the employer and employee rather than in personal profit. Centralization in the labor market has the same advantages that centralization

in any market has. The buyer and seller have the maximum opportunity of getting in contact with someone with whom they can do business. At present, with a large number of unrelated employment offices operating in the same town—State, Federal, commercial, philanthropic, trade union, and the rest—the employer who wants a certain kind of man frequently places his order in one office while the employee who seeks that kind of work files his application in another. The two fail to meet. With a single coordinated system of offices, the two will come together in every instance.

An employment system run for profit will never give either our industries, our workers, or the Nation sound service. The profits of the employment agent come at so much per head. The more heads, the more dollars. The greater the turnover, the larger the profit. The interests of the laborer demand a steady job. The interests of the employment agent are exactly the opposite; the more men he sends out, the greater the number of fees. Private agencies are daily shipping men by the thousands who they know will not stick. Frequently they know that the man's real intention is to jump the job he is sent to and go to some nearby work. But what's the difference? Large turnover means large fees, and large fees are the object.

Dr. Devine, the Survey for April 5, 1919:

In the second place there is needed Federal legislation which will establish the Federal employment service on an unequivocal basis, as one of the bureaus of the Department of Labor, and State legislation creating a State service in each State, in relation with the coordinating and unifying service. * * *

To insure the development and stability of such a state system of free public employment bureaus coordinated in a permanent Federal employment service, it is no doubt desirable that there should be financial assistance by the Federal Government through the Department of Labor to the state service, probably on a dollar-for-dollar basis. For a year or more, while the demobilization of the Army is in progress, two thirds of the whole expense might be well met by the Federal Government. Such a subsidy system would enable the Federal Government to establish standards, to test results, to collect uniform statistics, to cooperate in training the staff, and to distribute through national clearance any surplus labor caused by immigration, the closing down of plants, or other disturbing factors.

In the reconstruction of our industry on a peace basis there are certainly tasks of enormous importance for a national employment service, where the workers are seeking jobs or the plants are seeking workers, whether employment is relatively stable or the contrary. As an after-war agency the Federal employment service will fill a place which could hardly have been conceived—certainly not with any prospect of realization—before the national awakening to which the war gave rise. * * *

In the dynamics of industrial change, however, a Federal employment service which fills orders and finds jobs without becoming also a center of reliable information to those who seek it on the spot and a source of statistical and descriptive material which can be collated and interpreted for each regional unit and for the nation, which does not contribute to the democratizing of industry, which does not help to increase the social value of the human integer in industry, is likewise no service at all.

At the outset I made two definite assertions—First, that there is a demand for some agency which can centralize our labor market, or in other words, some agency which can pool and distribute economically our labor reserves, and, second, that no agency has yet met this demand and that there is no agency which can meet it except the Federal Government.

In support of my first assertion that there is need for an agency which can centralize our labor market I have offered the following arguments:

1. That a decentralized labor market means (1) coexistence of labor shortage and labor surplus; (2) it means men waiting without the gate at one plant while positions are waiting within the gate at

another; (3) it means an unnecessarily large volume of unemployment and labor turnover, and it means a type of social discontent and industrial unrest which is a menace to our country.

2. Interstate clearance is an essential part of our employment problem. It can be accomplished only by means of a centralized market. This market (1) must furnish reliable information regarding opportunities for work without reference to State lines; (2) must provide for migration of labor on reliable information and at the least possible expense; (3) it will reduce the enormous waste of money due to delay in shifting positions and in unemployment; (4) it will increase the productive power of the nation by reducing the labor turnover and keep men steadily on their jobs.

In support of my second assertion—that the Federal Government is the only agency which can centralize the labor market—I have offered the following evidence:

1. Public employment offices, both city and State, have failed, after 25 years of experiment to make any definite progress toward centralizing the labor market.

2. Private agencies have tended to decentralize rather than to centralize the market.

3. Not over 10 states are maintaining anything which could be called an employment system at present.

4. Public employment officials have admitted time and again that their States and municipalities can not do efficient work without governmental assistance—financially, regulatory, and supervisory.

5. Appropriations for the local offices are not sufficient to maintain standards of efficiency.

6. Students of social and economic problems are unanimous in their opinion that no agency but the Federal Government can centralize our labor market.

7. Centralization of information—uniformity in administrative methods, and records can be accomplished by the Federal Government alone.

Now, Mr. Chairman, in order to show the kind of propaganda which has been going on to defeat the Kenyon-Nolan bill being considered by our committee, I will file an article from Industry, a bulletin issued by the associated industries of Massachusetts for the information of its members, 1034 Kimball Building, Boston, Mass., under date of July 19, 1919. It is headed, "Prompt action needed to kill Kenyon bill—Measure perpetuating United States Employment Service may pass unless employers make united protest—Members of this association who are opposed to the service should give facts at once to their Senators and Representatives." Then follows the article.

(The article referred to is printed in full in the record, as follows:)

The effort to perpetuate the United States Employment Service has taken two forms: (1) An endeavor to obtain funds for its maintenance through the appropriation bills; (2) an endeavor to provide through the Nolan bill (H. R. 4305) and the Kenyon bill (S. 1442) for its permanent retention as a bureau of the Department of Labor.

The urgent deficiency act carries \$272,000 as the irreducible minimum to cover expenditures of the service for supplies contracted for and used in the past.

The sundry civil bill, passed July 1, carries an appropriation of \$400,000 for the maintenance in Washington of a clearing house of information with

respect to opportunities of employment, and to permit of the coordination of existing State employment agencies.

This confines the Employment Service within the limits which this and other organizations have regarded as its proper field of activity.

It must be understood, however, that this \$400,000 appropriation is designed by the friends of the service merely to continue it until the Nolan-Kenyon measure is passed.

It does not preclude the possibility of the granting of the more than \$4,000,000 fund asked for by the terms of the Nolan-Kenyon proposal.

A TIME FOR ACTION.

Hearings upon the Nolan bill are being held before a joint committee made up from the Committee on Education and Labor of the Senate and the House Committee on Labor.

Those who are opposed to the Employment Service should communicate at once with the two Massachusetts Senators and the Congressman from their district, and should also send their protest to the Hon. J. M. C. Smith, chairman Committee on Labor, House of Representatives, Washington, D. C.

The joint committee will not withhold its approval of the pending bill without a definite reason, and that reason must be supplied by those who know the facts.

The executive committee of the associated industries is on record against the continuance of the Employment Service on grounds of extravagance, inefficiency, and lack of necessity now that the emergency for which it was created has passed, and the association has been represented at the hearings on the Nolan bill by James A. Emery, Esq., of Washington.

Prompt action is necessary if this measure is to be defeated. If you agree with your executive committee that the service is wasteful, inefficient, and unnecessary back it up by filing your protest to-day with the proper persons in Washington.

Mr HALL. I also file a copy of Bulletin No. 11, dated May 28, 1919, of the Georgia Manufacturers' Association, Edward A. Kimball, secretary, Chamber of Commerce Building, Atlanta, Ga.

(The bulletin above referred to is printed in full in the record as follows:)

To Georgia Manufacturers:

A strong effort is being made to perpetuate the United States Employment Service, and riders are attached to appropriation bills in Congress to secure funds for carrying on the work that, in the opinion of most business men, is not a proper function for our Government.

The effort to secure an appropriation of \$14,000,000 failed in the last session of Congress, and since that time much propaganda has been sent out by the United States Department of Labor telling of the good work done, and trying to explain in a feeble way the many mistakes, if such they are, that have been made.

On February 27 the board of directors of this association passed resolutions urging the discontinuance of the United States Employment Service and copies of the resolution were sent to our Georgia Senators and to our Members of Congress. Letters, on file in this office, from manufacturers all over the State show that the industrial leaders as a whole are opposed to the Government conducting an employment bureau. Therefore, in order to defeat the appropriation for the continuance of the United States Employment Service, you should immediately wire Senators Smith and Harris, and the Congressman from your district urging them to vote against any appropriation for the perpetuation of the United States Employment Service. Please send your wire immediately upon the receipt of this bulletin, and then write me, inclosing a copy of your wire. I ask this in order that I may be fully informed as to your attitude. Also, take the matter up with your local chamber of commerce, and have resolutions opposing the appropriation and then see that the resolutions are transmitted to Georgia Senators and Congressmen.

This is extremely important, please do not delay action.

Very truly, yours,

EDW. A. KIMBALL, *Secretary.*

Mr. HALL. I also file bulletin No. 6c, dated January 21, 1919, put out by the Associated Manufacturers and Merchants, Mark A. Daley, general secretary:

(The bulletin above referred to is printed in full in the record as follows:)

AGAINST CONTINUING UNITED STATES EMPLOYMENT SERVICE.

While the executive committee, or the board of directors, has not yet passed on the question, there is a very general impression that the United States Employment Service should not be continued after the war necessity ceases, and that whatever governmental supervision there may be should be vested in the State. Most people believe the United States Employment Service has been a failure and it is contended that its perpetuation merely would be for the purpose of furnishing jobs for organized labor's business agents or social-welfare folks who have been in the Government service during the war and haven't had an opportunity to tie up to a new propaganda yet.

What to do: The thing to do is to write your congressman at Washington, and also the two United States Senators, William M. Calder and James W. Wadsworth, and ask them to use their influence against the continuation of the United States Employment Service by trying to stop the proposed appropriations (which run into the millions) for "carrying on the work." To be effective, those letters should go to Washington at once.

Yours, very truly,

ASSOCIATED MANUFACTURERS AND MERCHANTS,
MARK A. DALEY, *General Secretary*.

Mr. HALL. I offer a copy of a bulletin to members of the Employers' Association of Pittsburgh, Oliver Building, dated May 28, 1919, addressed to the members of the Employers' Association of Pittsburgh.

(The bulletin above referred to is printed in full in the record as follows:)

UNITED STATES EMPLOYMENT SERVICE.

GENTLEMEN: We again call your attention to the active propaganda now under way to secure an appropriation from the present Congress to make permanent this employment service. The attempt which was made to have the last Congress appropriate no less a sum than \$14,000,000 for this purpose was defeated.

In view of its record for incapacity and extravagance, as well as the many proven instances in which it was used as a recruiting agency for the union labor leaders, there is clearly no good reason for its continuance.

Will you not take the time to address a strong letter of protest against the enactment of this needless legislation to each member of the Pennsylvania congressional delegation and supply this office with a carbon of your letter?

We are anxious to make our opposition to the continuance of the United States Employment Service felt and to this end we are working in conjunction with the National Association of Manufacturers. See inclosed copy of the resolutions adopted at its annual meeting held in New York, May 22, 1919:

OUR DELEGATES IN CONGRESS.

Hon. Boies Penrose, United States Senate, Washington, D. C.
Hon. P. C. Knox, United States Senate, Washington, D. C.
Hon. William J. Burke, House Office Building (at large), Washington, D. C.
Hon. Thos. S. Crago, House Office Building (at large), Washington, D. C.
Hon. M. M. Garland, House Office Building (at large), Washington, D. C.
Hon. A. H. Walters, House Office Building (at large), Washington, D. C.
Hon. Stephen G. Porter, House Office Building (Alleghany County), Washington, D. C.

Hon. M. Clyde Kelley, House Office Building (Alleghany County), Washington, D. C.

Hon. John H. Morin, House Office Building (Alleghany County), Washington, D. C.

Hon. Guy E. Campbell, House Office Building (Alleghany County), Washington, D. C.

PLEASE DO NOT NEGLECT THIS IMPORTANT MATTER.

This movement is very far reaching in its consequences. If the plan succeeds it will soon be followed by an attempt to abolish all private employment agencies and compel every employer to apply to this service for their labor requirements

Yours, very truly,

THE EMPLOYERS' ASSOCIATION OF PITTSBURGH,
E. B. MORELAND, *Secretary*.

Mr. HALL. To controvert any impression which might be left by Mr. Simpson, the president of the Farmers' Association of Oklahoma, I desire to file a telegram from Claude C. Connally, Federal director of the United States Employment Service, at Oklahoma City, Okla., dated July 10, 1919.

(The telegram above referred to is copied in the record in full, as follows:)

Only six members of I. W. W. arrested in Oklahoma this year. It is ridiculous to charge the Department of Labor with bringing into the State this class of agitators. As a matter of fact, all propaganda of these agitators is manufactured in northern cities months before the harvest season opens. This has been a condition for years, however; was less noticeable this year than ever before on account of wages being stabilized by this department and the intensive organization perfected for handling harvest labor problems. Simpson statement positively misleading and absurd. Approximately 6,000 men brought into Oklahoma, 1918, and approximately 20,000 men 1919.

Mr. HALL. I have finished, unless you have some more questions.

The CHAIRMAN. We are very much obliged to you.

STATEMENT OF MR. JOHN B. DENSMORE, DIRECTOR GENERAL OF THE U. S. EMPLOYMENT SERVICE.

Mr. DENSMORE. Mr. Hall, Mr. Chairman, covered one of the points that I wanted to briefly say something about, and that was in regard to the making of this bill. He pointed out the fact that there were employers' representatives in attendance.

I was primarily responsible for the calling of the conference, for I suggested it to the Secretary of Labor, because there had been more or less agitation all the time for a cooperative, statutory, service, in cooperation with the States.

Various programs and plans had been put forth by our people as to what form that should take, and the only way that I can see that it was possible to get some definite outline was from the ideas of everybody concerned, who were interested in the subject, and it was necessary, therefore, to get them together.

I consulted the Secretary of Labor, or asked him about it, and I consulted with him in regard to whom we should invite. In the first place, I thought we could invite, perhaps, the recognized public employment people of the United States in the handfull of States where

they had employment services and some other experts who are simply to draw a bill to be presented to Congress and to this committee, and I anticipated hearings, such as you are having, where it would be expected the employers or anyone else might appear, as they have done, and express their opinion in regard to it.

I venture to say that Mr. Nolan's original bill, introduced in 1915, there was not the subject of consultation with Mr. Emery and the national association of manufacturers. I venture to say that Senator Robinson and several others who introduced bills did not consult everybody about the subject, though I do not really see why it makes much difference that everybody was not invited.

However, the Secretary of Labor had previously made the selection of the make-up of one of the war bureaus—that was the War Labor Board—and he invited Mr. Emery's organization, to the exclusion of the United States Chamber of Commerce, and you gentleman perhaps know that there is considerable rivalry between the United States Chamber of Commerce and the National Association of Manufacturers. The United States Chamber of Commerce claims to be made up of young people and the more progressive people, and they charge the Manufacturers' Association with being older and more conservative, and reactionary sometimes. The Secretary, however, chose to invite the national association which Mr. Emery represents, to consider the make-up of the War Labor Board. When it came time last year in our association to establish our State boards, 48 State boards, and about 1,800 community boards were selected, and the United States Chamber of Commerce was consulted at that time. One reason was because they had not been represented in the department before. The United States Chamber of Commerce asked that it participate in the organization, and they participated in it all over the United States, and very successfully and agreeably. We invited the United States Chamber of Commerce to participate in these conferences. We presumed, and I think correctly, that they were representing the employers of this country, and I think that you will find that they did.

The CHAIRMAN. And did they attend?

Mr. DENSMORE. They did attend. They responded to the invitation and they had their delegate there.

The CHAIRMAN. Who was their delegate?

Mr. DENSMORE. His name has escaped me for the present. We sent the invitation to Mr. Elliott Goodwin, who was then the secretary, and he sent a representative. As Mr. Hall stated, Mr. Atkinson did come to me and asked me for an invitation to attend, and it was given him, and he did attend all of the conferences.

Now, the purpose of the conferences was only to get the technique or structure of a bill upon which the State employment services could agree, because you have got to have an agreement with them, and that is one thing they never had before, and we got a unanimous agreement between all the State employment services, and everybody representing the governors, 33 representing 33 States, and the bill was drafted as presented to this committee.

Mr. Chairman, you told me the other day, when I very unceremoniously broke into the testimony of Mr. Emery, that I would be permitted to say something after while. I understood that the hear-

ings were going to close on that day, and that was the reason for my remark.

Now, there are only two things that I wanted to say something about. I have no objection of criticism by anybody of me personally, or of my official conduct, or of the employment service, provided that criticism is fair and accurate. My own personal reputation and the official reputation and the success of the United States Employment Service can stand up against any legitimate criticism, but I do strenuously object, and I want to deny any statement, whether it is made deliberately or otherwise, that is not true.

If this literature that Mr. Hall has put in evidence, the gentleman who published the paper called "Industry," has appeared in Washington for the purpose of attacking and destroying the United States Employment Service, and stated in there that there were no employers represented at this conference. Now, you gentlemen know that there were. Mr. Emery day before yesterday just made two statements that I want to call to your attention. One was something that he brought in here that I think is entirely foreign to your consideration of this United States Employment Service bill, and I am going to leave it to the judgment of this committee whether anything in connection with the alleged Mooney investigation has anything at all to do with your consideration of whether you shall report this bill out. I think it does not have anything to do with it at all. Nevertheless, it has been brought in here, because the present director general of this service, acting in the capacity of Solicitor of the Department of Labor, under the direction of the Attorney General of the United States, and by competent authority, was conducting an investigation into the criminal actions of officials of the Government of the United States in San Francisco, and I discovered their misdoings, and as the result of my investigation 28 or 29 were dismissed and indicted, and many are in the penitentiary at the present time as a result of my investigation and prosecution of them.

That was in connection with the Immigration Service—

Mr. HERSEY. At the time you were acting as director general of the employment service, were you also acting in the other capacity as counsel or attorney for the Immigration Service?

Mr. DENSMORE. No; I was not.

Mr. HERSEY. And when you were making the Mooney investigation, were you acting as director general of the United States Employment Service?

Mr. DENSMORE. The Secretary has given a statement in response to a congressional resolution, which I will be glad to have you read, in which he tells you that the United States Employment Service had nothing to do with the Mooney investigation—

Mr. HERSEY. I have not seen that.

Mr. DENSMORE. And I want to tell you, in answer to the question, that I, Director General of the United States Employment Service, had nothing to do whatever with the Mooney case.

It happened to be in San Francisco at a time when I could best leave Washington, after the organization of this service, and I had prosecuted in the United States courts in San Francisco, those criminals which I have mentioned here before—

Mr. HERSEY. But the report was in writing?

Mr. DENSMORE. The report was not my report, and was not written by me. It was written by the inspectors of the Immigration Service.

Mr. HERSEY. Was it signed by you? This report was furnished to Congress by the Secretary of Labor. Is that the report that you refer to?

Mr. DENSMORE. Yes, sir; that is it.

Mr. HERSEY. Then we know all about it; what it says.

Mr. DENSMORE. You will know all about it when you get it. The report was not written by me, and the original report had come down to Washington unsigned. Afterwards some one discovered that it was not signed by me, and it was placed in my hands when I arrived at San Francisco. The inspector had finished the work, and had finished the investigation of the office of the district attorney, and the report was placed in my hands which they wrote, and had in their hands, and it was given to me because I was the senior officer of the department in San Francisco, and I merely transmitted it to the Secretary of Labor.

Mr. Emery said I had refused to return to San Francisco. Now, I sent a telegram to Judge Moulton, stating that I would go back if directed to by the Secretary of Labor, and I subsequently demanded that I be permitted to go to San Francisco in the interests of my own honor, but I was not permitted to go by the Secretary of Labor or the Attorney General, although I demanded that.

Mr. HERSEY. Who was the Attorney General at that time?

Mr. DENSMORE. Mr. Gregory.

Mr. Emery also stated that Secretary Wilson had promised that I would return. I want to deny that most emphatically. Secretary Wilson never promised that I would return, and he never went back on his promise. He is not here, and I am denying that for him inasmuch as he is not here.

Mr. HERSEY. Mr. Densmore, you remember the testimony of a certain witness, before our committee, that in Michigan, at Muskegon, Mich., certain employees or agents who were running the National Employment Agency, of which you were director general, had gone into the factories and places of industry in the evening, trying to organize or to unionize the laborers there, and that the complaints had been made by the manufacturers that those men there, and it is stated that those men were removed from your service there and transferred to some other service in other parts of the country. It was stated that they were not dismissed but simply transferred. What have you to say about that?

Mr. DENSMORE. Why, I think that you have the evidence a little wrong. The charges were never made that they went into the plants and attempted to unionize the men, but the charge was made—

Mr. CASEY. That was the testimony of the representative of the Muskegon Employers' Association.

Mr. DENSMORE. That was not the charge that they made when they made their charges in writing to me.

Mr. HERSEY. It was made to the committee.

Mr. DENSMORE. I will clear it up by telling what actually happened. One of the skilled labor examiners, or two of them—we had about 30 of them recruiting skilled labor out of the nonessential industries and getting them into the essential industries, and one of

them—Royal Briggs, I think his name is, was recruiting among the machinists and the boiler makers, and other skilled laborers necessary to the shipyards and war industries, out of the nonessential plants. They were all union men, and it was necessary to have the union men in that work, and he went out among them and urged them to get out of the nonessential work and go into the essential work, and they were very successful. They transferred about 65,000 men out of the nonessential work and into the war work.

At this time Briggs and one of the fellows were in Muskegon, and it happened that on one night when they were there—they were there for a couple of days—there was a union meeting, a regular meeting of the labor union, to which Mr. Briggs belonged, and Mr. Briggs being a stranger there and a member of the organization, was invited to the meeting, as he would be, perhaps, to any lodge meeting. He was invited to make a few remarks on the floor of the meeting, which he did. Briggs made a mistake. He made the mistake of forgetting that he was an employee of the United States, and not a union-labor man. He was among his own people, and he did say something to them with regard to keeping up your organization, and there was the usual talk of the union-labor men among their own people.

The manufacturers or employers association had, as usual, a couple of stool pigeons in the union meeting—they always have them there—to take stenographic notes of what was said. They reported that. Then they came down here and reported it to us. They made some other representations in regard to some one else, and we had them all investigated. There was nothing that was proven at all except the statement concerning Mr. Briggs.

Now, we did take them all out of there. We had three, I believe, in the State of Michigan. We moved Royal Briggs to Maryland, or some place else, and we cautioned him to refrain from making labor-union speeches, and he did. In the course of three or four weeks he, together with Mr. Lennan, were transferred to the Emergency Fleet Corporation at larger salaries than they were getting from us, and they, together with all the other examiners, about whom some complaints had been made but no evidence produced, were transferred to the Vocational Educational Board, and they are doing fine work there to-day.

Mr. Chairman, let me call your attention to this fact: You may read all of the literature published by the Metal Trades Association in their organized effort to destroy the United States Employment Service, their organized, unsuccessful effort, and the Manufacturers' Association, and you will find little Muskegon of your State standing out in all of them.

That is the circumstances, as I have related it to you. Do you not think if there had been any other case in any place in the United States, they would have them and produce them and publish them?

It is the only single case—Muskegon, Mich. Why, I have heard it a thousand times. Every time that any unionism is charged to the United States Employment Service, it is Muskegon, Mich. That is the case as I have related it to you here. Mr. Hall and I can tell you of similar cases, and of all the powerful, organized propaganda against the United States Employment Service, they have

never been able in their attacks of the service to point to a single incident except Muskegon, Mich.

The CHAIRMAN. Would it have been permitted by the department to use your service for that purpose if you had known it? Would these men have been permitted to have done so?

Mr. DENSMORE. They certainly would not. They all understood it, and they never did it outside of that case—not that I know of—and that was in an executive labor meeting of the central labor union of Muskegon.

Mr. MURPHY. Mr. Densmore, might not the answer you just gave here in some way be an explanation of the opposition of the manufacturers to this employment bureau, the very fact that you moved 65,000 men from nonessential employment into essential employment, under the stress of the war, when they were needed by our country? Don't you think that possibly the manufacturers of this country might feel that this department might get into the hands of those who might want to use it to the detriment of some of our manufacturing industries in the country—

Mr. DENSMORE. I think so.

Mr. MURPHY. And not be chargeable to union labor?

Mr. DENSMORE. I think so. The vast organization and the vital necessity during the war of taking charge exclusively on the part of the Government of the recruiting of labor, to stop expensive and extravagant waste, and the stealing of labor from one industry to another, put certain restrictions on the manufacturers. They objected to that. They did not voice or protest, patriotically, during the war as they do now.

Now, let me give one feature in connection with the necessity of legislation for the public employment service.

The necessity is first of all for the benefit of the working men and the working women of this country. Now, you legislate in the interest of the working men and the working women of this country if you want to, and I think you should, and you legislate in favor of everything, and Congress has not yet been afraid to legislate in the interest of the working men and the working women. Now, this is a matter of social justice and in their interest.

It is all wrong economically and socially to require men and women to pay a private concern for the right to live and to go to work and to earn their living, to require them, for the right to have an opportunity, and a bill such as this, and the organization to be organized under it, such as is asked for, will do away with the various private employment agencies, and do away with the necessity of the unfortunate people spending millions of dollars every year, paying millions of dollars to industrial loan stocks, money that they have to pay because they are out of work, for the right and opportunity to go to work and earn their living.

Mr. CASEY. If I remember right, Mr. Densmore, when you testified before you started to explain an arrangement you had with the employers in the metal trades association at Providence, R. I. Did you put that into the record?

Mr. DENSMORE. No; I did not, but I will.

Providence, R. I., was one of our offices with which a majority of the metal trades manufacturers wouldn't cooperate. It appears that the superintendent of the office was the son of a union man. He was

not, however, as I understood it, a member of any union itself. The metal trades firms in Providence conceived the notion that because of this circumstance efforts would be made by the office to supply them only with union men. There never has been any discrimination for or against union men in this office. It became necessary, due to a matter of discipline during the course of the year, to remove the superintendent of the office, and the entire service was placed in the hands of Capt. Webb, who was connected with the chamber of commerce. In the course of a very short time the confidence of the employers in Providence had been gained, and they have since been co-operating with and doing business through the office.

Mrs. HOWARD GOULD. Mr. Chairman, I would just like to raise this point, if you please: The gentleman said that it was not right to tax the people and to make the people pay for employment?

The CHAIRMAN. Yes.

Mrs. HOWARD GOULD. Now, in regard to those who do not want this employment bureau and who do not use it, does or does not the Government take that money for this employment bureau out of the pocket of the citizens and the voters——

The CHAIRMAN. That is argumentative.

Mrs. HOWARD GOULD. I just want to know, because——

The CHAIRMAN. We are going to close the hearing now, and you can appear before the committee when we meet again next Friday. I am much obliged to you.

(Whereupon, at 12 o'clock noon, the hearing was adjourned until Friday, July 25, 1919, at 10 o'clock a. m.)

NATIONAL EMPLOYMENT SYSTEM.

FRIDAY, JULY 25, 1919.

CONGRESS OF THE UNITED STATES,
SENATE COMMITTEE ON EDUCATION AND LABOR,
AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The Committee on Education and Labor of the United States Senate and the Committee on Labor of the House of Representatives met, pursuant to adjournment, at 10 o'clock a. m., in room 201, Senate Office Building, Hon. J. M. C. Smith presiding.

Present: Senator Kenyon; Representatives Smith (chairman), Carss, Evans, Casey, Nolan, and Murphy.

Also present: Mrs. Howard Gould, counselor and president of the Women's Chamber of Commerce of the United States of America; E. A. Colvin, representing the Association of Farmers Unions of the crop States; Mrs. Margaretta Neale, assistant to the Director General for Women's Work, United States Employment Service; Peter J. Conlon, representing the National Association of Machinists and assistant of the president of the Railway Employees Department of the American Federation of Labor; Miss Louise McMasters, employment secretary of the National Board of Young Women's Christian Association; John B. Densmore, Director General United States Employment Service.

The committee continued consideration of the Senate bill (S. 1442) to provide for the establishment of a National Employment System, and to provide for the cooperation of the States in the promotion of such system, and to regulate the expenditure of money that shall be appropriated for such service; and the Senate bill (S. 688) to provide for National Employment System; and the House bill (H. R. 4305), to provide for the establishment of a National Employment System and for the cooperation of the States in the promotion of such system, to regulate the expenditure of moneys that shall be appropriated for such purposes.

STATEMENT OF MRS. HOWARD GOULD, FOUNDER AND PRESIDENT OF THE WOMAN'S CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA.

The CHAIRMAN. Will you please give the stenographer your name, your address, and your official position, whom you represent. We will be very glad to hear from you, Mrs. Gould.

Mrs. GOULD. Thanks. I am Mrs. Howard Gould, or Katherine Clemmons Gould; my office is 500 Fifth Avenue, New York City, and I am the founder and the president of the Women's Chamber of Commerce of the United States of America, the national and in-

ternational, we call it, and I want to put in the record the organizations that I am a member of and delegate to. I am a member of the Chamber of Commerce of the United States of America, a member of the Merchants' Association of New York, and a member of the Mississippi Valley Waterways Association, and a member of the Mississippi Valley Association.

Senator KENYON. And what is the Women's Chamber of Commerce?

Mrs. GOULD. May I continue this, please? A member of the Woman's Advertising League of the United States, and a member of the Woman's Trade Union League.

Senator KENYON. And what is the Woman's Chamber of Commerce of the United States?

Mrs. GOULD. To-day?

Senator KENYON. I understood you to say you were the president of the Woman's Chamber of Commerce of the United States. What is that Woman's Chamber of Commerce of the United States?

Mrs. GOULD. The Woman's Chamber of Commerce of the United States was founded by me, as I have traveled all over the world studying the situation of labor and schools and trade and commerce, because I happened to like it, for the last five or seven years, and I came back home from China at the time of the breaking of our diplomatic relations with Germany, and I went to New York and I began a study of the question of the women in this country. I was asked to be organizer, national organizer, for what was known as the National Party, a political organization, as they were going to amalgamate with the Prohibitionists, and in that way I became interested in the work in the United States of America, I should say—

Senator KENYON. I understood you to say that you were a member of the Woman's Chamber of Commerce.

Mrs. GOULD. Yes, sir; I am the founder and the president of the Woman's Chamber of Commerce of the United States of America.

Senator KENYON. And what is the Woman's Chamber of Commerce of the United States of America?

Mrs. GOULD. It is an organization founded for the purpose of fostering trade and commerce, internationally and interstate, and also to open the avenues of work, of business, of trades, and of professions for women, and to aid women by advice in every possible way, and to advance them, but, at the same time, not to antagonize the men's associations; and also to promote foreign trade, and we are getting up classes of women who speak Spanish and who are being prepared in various ways for the promotion of trade and commerce with South America. I have been asked to go with a company of business men on a trip to South America. We are organizing throughout the States in America, we have a great many organizations started, and we are organizing by counties. Our board of directors is composed of one woman from every State in the Union, and it represents, as far as possible, every trade and profession and industry—

The CHAIRMAN. Let me ask you, are you in favor of the establishment of a free Federal Employment Bureau, Mrs. Gould, or are you against it?

Mrs. GOULD. I am very much against it.

The CHAIRMAN. We would like very much to hear your reasons for being against it.

Mrs. GOULD. I think it would be a home wrecker, and that you would produce a Nation of what I call joy riders, if you put this bill through. For instance, I go to the farmers—I am organizing the farm women—and I found in all of this war work—I have done a great deal of war work. I was a member of Mr. Fosdick's war committee, and we started a home for women in California, and I am going to give you the women's part of this. Our organization is for women and children and the home. During the war work I found a good many girls that came into my office, and they would say, "I am leaving my job and I am going to go to Washington." I would ask them, "What for?"

"Well," they would say, "I have never seen the Capitol, and I am going there to see the Capitol, and I am going to have a good time."

Now, this department placed them, and it is demoralizing to them and it is demoralizing to the home. For instance, you could not keep any servants of any kind, nobody could, and it is demoralizing the schools. You could not get school-teachers, who would be taken away from the schools through the instrumentality of this employment bureau, and these girls were placed down here, and I am going to say that they were placed regardless of their qualifications, placed through that bureau; that augments this great roll of placements that you have seen here.

Now, I am going back to our organization, because it is vital in connection with this. Our organization was organized during the war, and it was incorporated, and we had a big business convention out in Cincinnati where there were 600 business and professional women met. Now, these women appealed to me, saying that they were not taken here for work; they were not young girls; and they complained, and some said that they were Jews, and some said they were Catholics, and they would not be taken for that reason, and when I came back here a number of the State presidents of this association wrote to me and asked me if I had time to take care of the women who were coming to this town, because they said they could supply the very highest class of employees, executives, bookkeepers, and they would supply them, but their mothers and fathers would not let them come here, and their husbands would not let their wives go, and those who were working would not leave the jobs they had unless they were guaranteed we would take care of them when they got here, and they wanted me to attend to that and asked me especially if I would take the job of looking out for them. I said that I would be delighted; that it was just exactly the kind of work that I was doing, and I went to the Civil Service Commission and I explained my business to the commission. I took this letter to the Civil Service Commission, and I stayed there about four hours that day and explained it to them. The Civil Service Commission said that they would be pleased to place anybody that I would bring, and I brought up this question of the Jewish and the Catholics, and I brought a letter with me which I shall want to put in the record, where they denied that the religion made any difference.

(The letter above referred to is here inserted in the record in full, as follows:)

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., September 7, 1918.

Mrs. HOWARD GOULD,
Women's Association of Commerce of the United States,
Washington, D. C.

MADAM: Referring to your recent call at the office of the commission there are inclosed herewith announcements of examinations now pending which are open to women. The commission will be pleased to provide you with any number of copies of these announcements for distribution. Your name has been placed upon the mailing list to be supplied currently with similar announcements as they are issued.

There is also inclosed a copy of a form which is used in making confidential inquiry concerning an applicant for a mechanical trades' position. Similar forms are used in connection with certain other positions. It will be noted that in the form inclosed herewith the voucher is instructed to avoid any allusion to politics, religion, or fraternal orders.

Section 3 of civil-service Rule I, provides that "No recommendation of an applicant, eligible, or employee in the competitive service involving a disclosure of his political or religious opinions or affiliations shall be considered or filed by the commission or by any officer concerned in making appointments or promotions."

The commission will appreciate your cooperation in the work of recruiting the civil service to meet war needs and will be glad to furnish you with the desired information at any time.

By direction of the commission.

Very respectfully,

JOHN A. McILHENNY,
President.

Mrs. GOULD. The Civil Service Commission thought it was a fine thing, and told me when the parties came to bring them to the Civil Service Commission. Then came the question as to supplying the labor with houses or a place to take care of them. I told them that we would take care of them provided we could get the houses. I was sent to the Department of Labor, and I went to the Department of Labor and explained the whole thing to them, and they said that they would give us the houses, and I requested them to please advise Mr. Wilson that we were not renting these houses for profit, but that they would be taken care of by myself and by another woman of standing and wealth, that we would not take any salaries, but we would be glad to have nice little houses, and we demanded military help to take care of the girls, and Mr. Peyser, who I went to first, said that it would be done. They said that they would commandeer the houses for me, and this thing went on and they had me running over the list of houses, and I spent day after day and selected a number, and Mr. Peyser told me that he had a house, that one had been commandeered, and Mr. Wilson said that I could have such and such a house to start with. I said, "All right, we will take that house on, and we want just as many as you can give us, because we can get excellent help from the women in the States."

Well, that kept on for weeks and weeks, they kept fooling around with it, and in the meantime the people of the States had gotten together, and we issued a notice throughout the States that we were ready and that they had promised us houses.

By and by I got word from Mr. Peyser that they could not proceed with the matter. It was sent to me in New York, and I came down to see Mr. Peyser, and I asked him about it, and he asked me not to consider that letter that I had received at all, that they had

reconsidered the matter, and that he was going to get me another house, and I waited and waited, after pestering the life out of Mr. Peyser, he told me that they had decided to give back the houses to the owners, as the owners would take care of the girls themselves. Now, that was not true.

I also presented another proposition to the Labor Department, by which we were going to build a clubhouse, and we had figured out that we could assume the care of the women for \$1 a day, or \$2 a day, and intended to build them for ourselves and to have Turkish baths and a sanitary kitchen and a laundry—and by the way there was no place in this town where girls could go and get a bath—and we were going to have a clubhouse for the girls, and I went to see Secretary Tumulty about the matter, and told him about it, and he thought that it was very fine. I went to see Mr. Wilson and then went to see Mr. Erdlitz, the head of the housing or the building part of it, and I saw his secretary, and he never—nobody could find him. No one ever had a chance to see him, but we just saw his secretary sometimes. I had several letter to them. They kept those plans and we talked the matter over for about three months. In the meantime things were hanging and hanging, and I kept after them, and they said that they were not going to do anything about the suggestions, and they wrote to me that they would like to keep the plans. They said that there was one condition that seemed difficult to overcome, and that was the land question, for if there was to be a house built it would have to be built on Government land, and then I was asked to go after land that they might buy, and I spent a whole lot of time and much money in that way, looking up the land. Then I got word from them in which they said that the proposition was very fine and good, but they did not see how they could do it. We could have had housing for some six or eight hundred women, all living at our convention halls, and they would have had baths and manicure parlors, and they would have had their own moving-picture places. But they found that it was impossible to do anything, they said. Do you see why? Just as soon as this department, the employment department, saw that this organization was getting places, a woman came to me and she said that she represented the head woman in this department—that is, the second head woman, Mrs. Neale, the second head woman—Mrs. Neale.

She came down to find out why I was hunting for women, and said that it was contrary to the Federal Government, and said that the civil service had no right to find employment for women and they could not place people through the civil service. Well, I am not very much afraid of anybody, and I said that I would place people through the civil service and that I was going to place people through the civil service, and I was not afraid, and if the Federal Government wanted to arrest me they could do so. Why, Mr. Chairman, I was placing them for the Department of Commerce, and Secretary Redfield gave me a list of people that he wanted, rod men, or rod women, and computers, and surveyors, and all sorts of things, and Secretary Redfield asked me if I would not try to get some college women from New York and send them down here. Now, there is a vital question between the labor organization—and I am a trades-union

woman myself, and I am speaking only for the good of women. There is a great strife between the laboring women and the college women, and I find that all the time in my own organization, and the laboring women can not seem to think otherwise than that the college women take their places. You see that our organization is for the business, trades, professions, and industrial women, all of them. Well, I went to see Secretary Post one day about our organization. We wanted to send a committee abroad to investigate the businesses, professions, and trades, and we were refused passports by the Government, but the Labor Department could get passports when they wanted to go. Secretary Post said to me:

"Do you business women realize that there are working women in the world?"

I said, "Yes; I am a tradeswoman myself."

"Well," he said, "I am glad that you recognize it, that you business women recognize it, because the business men do not."

That simply shows the attitude of this department against anybody else doing anything. Then things went on and went on and went on, and I found that in that department there were all sorts of circulation going about; it was said that we were going against the Federal Government, and I have been bothered to death by people coming in and accusing us of going against the Federal Government, and with the many investigations that were taking place. Now, I got in my employ, I got wished on me, a woman working in this department of employment. We put her in as a paid secretary in charge of the national offices in Washington, and when I went back to New York I got another woman wished on me in an executive position in the bureau in New York, and between those two they got up a plot to break up our organization.

Now, there was a woman came in as a member of the executive board, into this organization, who was from the bureau, and she said that she came over from the New York Times. She claimed that she was a worker on the editorial staff of the New York Times, and I sent this woman over there to take up the character of this woman coming in, as we always do, and she came back and she said that this woman had an excellent character, and was known on the Times and was one of its best writers. We put her in on the foreign trade committee to go to South America, to send women to South America for foreign trade and commerce, and I had interviewed the Secretary of Commerce and the chamber of commerce and the Riggs Bank—

The CHAIRMAN. Have you any organization in the foreign countries?

Mrs. GOULD. We have connected up with South America, and I have been connected up very splendidly with China. Now, I would like to tell it—I do not care to tell who it is, because the opposition would like to take away from our work—but we have a woman whose father is paying her expenses, and she is in England, and she is going from England to Spain and Norway and Sweden, and her father is working with her. The work is getting along nicely. I have a letter from England, that I probably will have to go over for the reason that the women's organizations are taking such an interest in the work that I will probably have to go over and organize there myself on account of that interest.

Well, this woman came in our organization to be sent to South America. I felt that there was something wrong going on, but I did not know what it was, so this labor department woman, Miss Crispin (?) was the Labor Department woman's name, and she came down here and put up the plans to break up the organization and to get control of it, do you see? They told me that if I became a member of the United States Chamber of Commerce, or if I had our organization become a member of the United States Chamber of Commerce, that they would break it up and that not any working girl would come in. I did not take the organization in, but I myself came in. I was invited to speak to the Mississippi Trades Associations and the Chamber of Commerce and National Foreign Trade organization, and I had been speaking throughout the country, and now I am asked to speak to the farmers. Now this woman came down here and she broke up the offices and a lot of things like that. I had a man from the Secret Service Department of the United States come to me and say that he had been sent out to investigate the women, and that they had traced some matters up to our organization, and they asked me would I let them look over the files. Now, I would not let them look over the files, and that woman was put in there to break up our organization, and she is still a friend of the Labor Department women and traveling around with them. They claimed that our literature was against the Government; they made all sorts of claims. I sent for the postmaster in New York to investigate the organization, and also the literature, and he did, and one of our greatest friends is the postoffice department in New York, and we have their permission to use the canceled stamp privilege. This is coming back to a criminal charge against my organization by the department. Then I spoke to the Secret Service about the matter and I decided that it was best for me to close the organization up temporarily and see what was back of all this commotion. So we closed our organization here, much against the wishes of some of our members who did not understand the situation, and since coming down here I have stood by and listened, and I was told that the reason of our organization closing up—that the reason of our organization being closed was given out by this department as having been closed by the courts of justice. That was told to a woman who wanted to come in our organization by Miss Miller, of the Publicity Department of the Bureau of Employment. Now, Mr. Chairman, we are an organization of splendid women. You do not know what the business and professional women are doing in this country. We are organized to do organization work—

Senator KENYON. How many members have you in the organization?

Mrs. GOULD. Well, Mr. Hall asked me that question, and I declined to answer it. We are well organized in about 14 States, that is, we have our national offices, and we have organizations started in many of the States, and in one of the States by September they say that they will have their organization completed and have 1,000 members. We organized by counties—

Senator KENYON. Then it is not a matter you desire to make public as to how many members you have?

Mrs. GOULD. No, sir; we do not wish to make that public.

The CHAIRMAN. And, as I understand you, it is a county organization pertaining to farm work and parcel-post matters, and so on?

Mrs. GOULD. Yes, sir; and one of our vice presidents is one of the biggest sugar planters in this country. She has 15,000 acres of sugar cane and runs it herself, or rather ran it for years until her nieces were married, and then her nephews run it; and another one of the directors is one of the biggest manufacturers—I do not care to give the name for the reason that letters have been sent out to the effect that our organization is against the Government.

The CHAIRMAN. Who were they sent out by?

Mrs. GOULD. I do not know who they were sent out by; but I do know that the publicity department, Miss Miller, of this bureau, has circulated that we were closed up by the Chief Justice or the Chief Justice's court.

Senator KENYON. How is the organization financed?

Mrs. GOULD. I have financed it myself, up to this time, out of my own pocket for the reason that so many organizations were being investigated that I did not want any money to come in until everything is established, until this organization is established, and I am taking care to explain to the women throughout the country this matter, and I am responsible for this organization myself, and our party is nonpolitical and nonsectarian. I have not registered to vote, because I do not want to be in the Democratic Party or in the Republican Party or in the Young Women's Christian Association or in anything else.

The CHAIRMAN. You had better register now.

Mrs. GOULD. I want to see what each State is going to do first. I have my beliefs. There is another distressing situation in this; for instance, here is a letter from the Women's Trade-Union League, signed by Rose Schneiderman, president, in which they say that it has been said of them that they were going to fight the Congressmen who voted against prohibition; that that was put in the *Evening World* and in the *New York Times*, and I will leave the letter to go into the record.

(The letter above referred to is printed in full in the record as follows:)

WOMEN'S TRADE-UNION LEAGUE,
New York, July 9, 1919.

DEAR FELLOW MEMBER: In the *Evening World* of July 1, and in the *New York Times* of July 2, appeared a statement purported to have been made by me as president of the Women's Trade-Union League, stating that working women were opposed to prohibition and would fight those who stood for it at the polls. No interview was given by me to any reporter on this matter and no statement made. I so notified the above papers. Their editors promised to retract the statements. I wish you to know and understand the whole matter for your own satisfaction, because, as you know, the league has taken no action on this question whatsoever. This occurrence is regrettable, but you will readily understand that such things are not uncommon with the present control of our press.

Fraternally, yours,

ROSE SCHNEIDERMAN, *President.*

Mrs. GOULD. Now, I do not know whether that was true or not. I am on the board of directors, and I just go to the meetings sometimes, although I have loaned my automobile for the purpose of organizing all the summer, and I have given them much money, and I am on the finance committee which raised \$25,000, and \$15,000 of

it was to go to Mr. Gompers's organization and \$5,000 to the national organization and \$5,000 for themselves, and that was to put through the minimum-wage bill in Albany, N. Y.

The CHAIRMAN. We have a minimum-wage bill here—

Mrs. GOULD. I know that you have. That hurt our organization because it gave it a political side, and our president sent out invitations the other day, and we are going to have thousands of women voting, and I am opposed to the organization corraling these women without understanding what they are doing. Now, this organization, this bureau of placements, if it is organized, there are so many sides to the organization, that if they do not like a person they will not stand for them. If you put people in a mill, you have got to do it through the Labor Department. You take a peaceful home woman who wants to get good help—

The CHAIRMAN. And you are opposed to the Labor Department itself, are you, outside of the employment bureau?

Mrs. GOULD. Very much opposed to it. For instance, I heard one of you gentlemen ask about the employment bureau of New York. In my home we have employed hundreds of thousands, paid for work on our great estate, and I had full supervision of it and nothing passed through there without my O. K., and I personally engaged thousands of those people. I engaged those people and they came there and built a dock, a sea wall a mile long, and the Government asked me to take charge of the building of the wall, and we built large chicken plants and supplied the Waldorf market. I employed all of that—

The CHAIRMAN. It is reported that Mr. Morgan paid \$100,000 for the purpose of maintaining this employment bureau. Do you know anything about that, Mrs. Gould?

Mrs. GOULD. I do not, sir. I employed all of those people, and I engaged the men through the employment bureaus of New York City, excepting those that came there employed by the contractors. We have free employment bureaus and fee employment bureaus, and I never found a decent workman from the free employment bureau. I never got a one. I paid either \$1 or \$1.50 for each person, and the one who was hired paid 50 cents or a dollar.

Then there comes another question which is vital to this question. There comes the question of the traveling incident to the work. There was a law then in New York to the effect that the hirer had to pay the fare one way and the laborer had to pay the fare the other way. Of course it eventually came out of the hirer altogether. Now, we found that all of those employees that came out there, we found that they built little homes, and we built up that town, and we had churches and schools, and we have founded a very nice little town by bringing the people over there to work on the estate. Now, take the people from New York and New Jersey and Pennsylvania, if this department does not pay the fare—and I understand that there is an understanding here to the effect that it is not going to pay the transportation—the labor organization won't pay it, and then it falls on the producer, and you realize what that costs? Do you realize the cost of the transportation of labor to and from the point of labor, because if you take them from a State you most certainly have to

pay the fare back. There is a very interesting set of records along that same line in this department. I have gone over those bills——

Mr. EVANS. Where are they now?

Mrs. GOULD. Why, they are in the department yet, and they have figured on what it costs for the changing of the labor. I am speaking of women, because I have to do with women, and this department would place a woman in a certain job, and she would stay there a little while, and she was not efficient or for some other reason she would be let go. They will tell you that that cost is the same as two weeks' wages, in other words, it was a loss to the Government of two weeks' wages. Say, that she leaves this department, and she goes to another bureau, and there she losses two weeks' pay for the Government, because she is not efficient there, and there is that loss. There is the loss of one week spent in instructing the girl coming in, and also a loss of one week necessary to instruct the girl who left. It got to be such a great cost to the Nation that they decided it would be better to, when they found a girl was not efficient, that they would pay her and make her leave the town—send her home. That practice was established because of the fact that it cost the Government more in replacement, and you can see how greatly that augmented the roll of placements of the department, and the expenses of it went up into the hundreds of thousands of dollars. If this same thing should take place under the proposed bureau or department, you can see what a loss it would be to the farmer, to the home and to the farm woman, who wants to do her canning and must get some one to do the work. There would be the loss of the transportation and also the loss of the time. Nobody can pay for that, and there is the loss of the labor on the farm, which is a net loss, and the shifting of the laborer about makes him a joy rider. What is the joy rider? It is one who rides in somebody else's automobile at somebody else's expense. They will get these joy riders going about the country at the expense of the farmer and the home-keeper and the producer.

The CHAIRMAN. Well, how would you send them?

Mrs. GOULD. I would not send them at all.

The CHAIRMAN. Would you deny the labor to the harvest fields in the West, to the farmers who need the laborers for harvesting?

Mrs. GOULD. No; but that would not deny it. This labor bureau has broken up the farm labor by taking the farm laborers off the farm and bringing them into the city. And they are the ones that have kept this farm labor question agitated for many years. The farmers have refused to be organized. I have sat with the farmer. They refused to be organized into labor unions——

The CHAIRMAN. How about farmers of Minnesota and Wyoming, the farmers themselves, who are asking the Government to take them out from there?

Mrs. GOULD. But how are those requests gotten? Do you realize that thousands of dollars have been spent in circularizing and getting these reports?

The CHAIRMAN. You would not allow the farmers to stay on the farms in Wyoming and starve to death, would you, Mrs. Gould?

Mrs. GOULD. I would not.

The CHAIRMAN. How would you get them out unless you would furnish them a ticket—

Mrs. GOULD. If the farmer needs help, I would let him go where he wants and select the good men that he needs. Now, you see what they get when they go to a fee-employment bureau. They go there and they get—

Mr. CARSS. But they have not got any money to pay to the fee-employment bureau.

Mrs. GOULD. But if you know that you are getting the people that you selected you will pay their fare. We have had them out on our estate, and if they stayed a year we paid their fares both ways. I have had people who have stayed there for more than five years, and we have made them a present of their fare. But you are not going to have the farmers pay their fares for years for the people that are put on them by the Labor Department, because there is a vary antagonistic feeling between the labor department and the farmers—

Mr. CARSS. But this situation that I have been speaking of has been brought upon the farmers because of the drought—

Mrs. GOULD (interrupting). I will give you my experience—

Mr. CARSS (interrupting). There have been droughts for three years and crop failures.

Mrs. GOULD. I will give you my experience. I have traveled in every State in this country studying the farm situation. I was in Texas and I saw thousands and thousands and thousands of head of cattle leaning up against fences dying for want of water because of the drought. I crossed the river and saw hundreds and hundreds of acres of land where they had corn was not pulled from the stalk. I saw that. Now, I came up here and I wrote to President Wilson. I have had a great many letters from President Wilson and I am always a great admirer of President Wilson. I would have voted for President Wilson and might have been termed a Democrat because of that. I wrote to President Wilson, and I said, "Mr. Wilson, this situation is very serious," and I told him what I had seen, and I said, "If you will let a group of women"—I, myself, am a farmer and I can put up any farm machinery there is—"let us get a group of women, and I know where to put my hands on the women—

The CHAIRMAN (interrupting). Let me interrupt you and ask you one question, Mrs. Gould. Mr. Atkeson came here and made a statement, representing the National Grange, which is an organization of about 75,000 farmers, and he spoke in favor of this bill, said that they were in favor of the bill. Do you take issue with him?

Mrs. GOULD. I do not take issue with him, because I don't know him.

The CHAIRMAN. You can read his name at the head of the paper of the National farm organization, and he has an office down town—

Mrs. GOULD (interrupting). Then I would like to know why he does that. If you join an organization, a great many people are in favor of labor—

The CHAIRMAN. But you know that a great many thousands of laborers are moved during the season in order to help harvest the crops—

Mrs. GOULD. And that is what I wrote to Mr. Wilson, and I said: "Let us move some of the idle labor out of the towns and drive the cattle where they can get drink." He sent me to the Department of Agriculture, and I had meetings with several of them, but that was defeated by the Department of Labor, because we had no right to touch the labor. Every good work that any woman started in that was not in with this department was defeated by that department, and if you set up here in this bill that only the Federal Government can employ the people you are creating the very worst situation, the most serious situation possible, because they will have to go to them, and them only—

The CHAIRMAN. But did not Congress make an appropriation for the situation down in Texas?

Mrs. GOULD. But what use is making an appropriation after the cattle are dead and gone? But, as I say, if you put this in the Department of Labor you have got all of those changes. You can not make anybody believe that a farmer, if he needs help, can not get it quicker than the Labor Department; if the labor is not corraled by the Labor Department, we can get all of our help.

Now, I heard Mr. Hall say something about carpenters—the carpenters' union in Virginia. Now, you do not need an employment department for carpenters. You do not need an employment department in order to get carpenters. Why, Mr. Chairman, I took carpenters down there; I took thousands of carpenters down there. I would not have applied to the Labor Department for them, and you could not make me do it. I heard a person say two days ago in this town who has one of the biggest departments of labor in this country that you will never force them to change from their department and go to this Department of Labor. And the farmers! A farmer spoke to the chamber of commerce in St. Louis who was sent down there by the governor of Wisconsin, and I am going there as a guest. I get my information from mingling in the homes of all these people, and I am not paid for it. I have no organizers out, paying them to get things to tell you people. I am going to tell you of one of these resolutions and how it came to be sent in here.

The CHAIRMAN. I do not wish to stop you, Mrs. Gould, but there are two or three witnesses here that would like a little time.

Mrs. GOULD. But you are economizing time day before yesterday when Mr. Hall was on the stand.

The CHAIRMAN. Well, go on in your own way.

Mrs. GOULD. I am speaking for a great number of people and I am speaking very seriously. All of the people who are trying to urge this bill through get fat salaries, and they are all speaking for themselves. I am speaking for those who get no salaries and do not want any.

Mr. CASEY. Let me ask: You say that you are representing a whole lot of people. Senator Kenyon has tried to develop just how many people you do represent, so that the committee would know whether you represent 10 people or 10,000 people or 2,000,000 people. Will you not let us know how many you represent?

Mrs. GOULD. Well, my standing is here, which can be put into the record. That thing has been tried on by Mr. Hall, and I am not going to tell anybody anything about our organization. You gentlemen are welcome to come to the organization and see our files and

find out for yourselves. Our headquarters are here in Washington.

Mr. CASEY. Do you know that the United States Chamber of Commerce passed a resolution favoring this bureau?

Mrs. GOULD. I do not know whether it did or not, but I understood that the United States Chamber of Commerce was represented here, and that the railroads were represented at the conference, but the employers never were represented at that meeting. Of course, the railroads were represented, for if this goes through these joy riders will own the—

The CHAIRMAN. What is a "joy rider"?

Mrs. GOULD. A joy rider is a person who rides in somebody else's property and has a good time. It will make a great income for the railroads.

Mr. CARSS. May I ask you, Mrs. Gould, if you have investigated the conditions which prevail in the lumber camps in Minnesota and Wisconsin?

Mrs. GOULD. No; I have not.

Mr. CARSS. You spoke of joy riders, and it suggests to me the men who are employed, for instance, in the city of Atlanta and who receive their employment through the fee agencies by arrangement with the foremen of the camp, and they go in and pay to the agencies as much \$1.50 or \$2 each for the chance to get employment. They go to the camps, and for some reason or other they are discharged in four or five days. I have seen thousands and thousands of men walking the track, reaching 6 or 7 miles along the railroad track, carrying a little package on their back. I have seen them lying around in piles during the nights when it was 40° below zero, sitting up because they were afraid if they would lie down they would freeze to death. I have seen the men riding in box cars, and riding the trucks, and riding on the rods. Now, if the Government can establish a department that will give these men work, not take their money from them, don't you think it would be a good thing?

Mrs. GOULD. But why can not the States do that?

Mr. CARSS. But the Government and the States will be coordinating—

Mrs. GOULD. Let me tell you. You talk about people joy riding and changing. I have seen this department engage girls who have stayed in their places for two days, and they were walking around the streets begging for places to sleep and for a place to take a bath. That happened time and time again, because of the fact that the people who employed them did not take the time to investigate them and find out about their fitness, and you know that \$10,000,000 were voted for the Labor Department to build houses for these women, and not one of those houses were built, and I have seen 6 or 8 or 10 sleeping in a room for which they were charged \$45 a month, and at this time of the influenza epidemic I nursed where no one from the Department of Labor would nurse, where the Department of Labor would send nobody to nurse. And what happened to the girls that were placed by the Labor Department—they were not joy riders either. They were just like the poor men that you were talking about out there in Minnesota. They died here by the thousands simply from lack of care. They had no place to sleep, no place to take a bath, and they might be in this room one night and in the next one

another night. We tried to help them, I tried to help them. They were not fit to work. They were not efficient. They were sent from place to place, and the Labor Department did not take the trouble to ascertain whether they liked the room that they were sent to. They died, and they were sent to the morgue, some naked, some half dressed, and they were piled up like cordwood, with head this way [indicating on table] and the feet this way [indicating on table], and they were put into the cellar, and the family or the friends didn't know anything about it, and many a family in this country thinks that their daughter was ruined because of that—

The CHAIRMAN. You say that that happened in this city, Mrs. Gould.

Mrs. GOULD. That happened in this city, and you voted the Labor Department \$10,000,000 to build houses in this city and not a house was built, but this ghastly thing out here on the Plaza, and you will remember the trouble they had about labor with it. What happened? It has to be pulled down, and we are taxed with everything, and they have got to take the thing down. What happened to the labor there? They could not get any labor on Saturday, and they could not get any on Friday, but they could get labor on Sunday and pay double and treble wages, and still the women's homes were not built, and we are disgraced all over the world by such a situation; the foreign ambassadors were here and they saw it; they saw the way the women were treated in this country. I nursed in a place where they could not get women to go and nurse; they refused to let me go into it and nurse because they were afraid I would do something—

Mr. CARSS. What has that got to do with establishing a bureau of this kind?

Mrs. GOULD. It has got this to do with it: You are thinking about placing this department and our junior children in the Department of Labor. If they are to be responsible for the lives and health of our children in this country—and I stood up two or three days ago and I denounced a certain party because they got up and said, "Why don't Congress take care of our children?" I said, "Congress voted \$100,000,000 for housing in this country and \$11,000,000 for the city of Washington, and that was placed in the Department of Labor, and not a cent of it spent for it, and you wonder why we don't want this in the Department of Labor?" Do you understand why the women would not let their daughters come to work under the Department of Labor after that? That department had the money to take care of them. Why didn't they do it? They wouldn't build the houses to take care of the children. They would not let us have the labor with which to build the houses, and we did not get the labor. Why did not this department place labor to building the houses and save the lives of our children and the honor and the name of our womanhood? You have not any idea of how disgraceful this has been, and the disgraceful things that have gone out about our not furnishing these girls with houses. I said to Mr. Eidlitz's secretary, "You put these women here to work to take a man's job, and they are not efficient to do it. Why? They won't stay here. You did not even give them a place to bathe." How can they expect them to come here and go into these houses with five or six in a bed? One woman slept in a room where there were 21 other women, and I said to the Department of Health, "Get them out of there or I will expose you."

The papers were nailed down and did not dare to say a word. If you said anything against the Department of Labor you were called pro-German and were sent to jail.

The CHAIRMAN. I did not think it was possible that there was such a condition as you have described here.

Mrs. GOULD. It was as I have said, and I have been threatened time and time again if I dared to——

The CHAIRMAN (interrupting). Threatened by whom?

Mrs. GOULD. By their agents.

The CHAIRMAN. Who were those agents?

Mrs. GOULD. They would never give their names. A man went up to the editor of one of the newspapers and demanded that our organization be attacked by the newspapers, and he refused to give his name and this editor would not publish it. That is the way of the Labor Department—I mean this bureau. Do you suppose they will tell the names of the men who are doing their dirty work; do you, gentlemen? Take the situation in this town during the war. Think of all the women that were ruined, not because they were bad, but because they were deprived of a place to sleep; they were deprived of a place to eat, and they were deprived of a place to take a bath, to wash.

Mr. CARSS. And do you think that the Labor Department has been responsible for the exorbitant rates that have been charged by the people of this city?

Mrs. GOULD. Absolutely.

Mr. CARSS. You think they had something to do with it?

Mrs. GOULD. Absolutely.

Mr. CARSS. How come it that the profiteers that have been robbing the people here——

Mrs. GOULD (interrupting). Who do you speak of?

Mr. CARSS. The people who have had eight girls in one room. I would like to see where the Labor Department had anything to do with that, had any connection with it.

Mrs. GOULD. All these houses that were to keep the girls, you see, to take care of them, were managed by cliques. For instance, Mr. Eidlitz was the builder or the contractor——

Mr. CARSS. But these girls were housed in private homes.

Mrs. GOULD. But the Department of Labor got those houses for them.

Mr. CARSS. Do you mean to say that the Department of Labor secured the rooms for them?

Mrs. GOULD. Yes; and one member of our organization went to the bureau and got a room for a girl. She was given a place to go to, and when she went there she found it was kept by an albino, or whatever she was, a woman about 50 years old; this girl was so scared of her that she refused to see the rooms, and she came back and she told them what she thought of them, and they said, "If you talk that way you are against the Federal Government; you can not say that." I know how difficult it is to get any investigation from the girls, and to get any results. They would be too scared. You could not have an investigation and get any results. There was no use in appealing to the girls——

The CHAIRMAN. Does that condition which you have spoken of exist now?

Mrs. GOULD. Of course; the influenza conditions do not exist, but it is said that we are to expect it again. I see in the newspapers that Washington is going to be filled again this year worse than it was during the war times. What have we got? We have got one old place down there that is complained of most bitterly by the women, and they charge them \$45 a month for a room.

The CHAIRMAN. What place is that?

Mrs. GOULD. This Plaza Hotel, or whatever it is, that the Government built after peace was established.

The CHAIRMAN. But that \$45 a month included two rooms, did it not?

Mrs. GOULD. I do not understand so. Where are you going to house those people that are coming?

The CHAIRMAN. When did that condition that you speak of exist?

Mrs. GOULD. All during the war, sir.

The CHAIRMAN. And for how long a time since has it been better?

Mrs. GOULD. Well, you see that many of the girls have been discharged, and those girls that they had placed in the Treasury Department were brought in one day, hundreds of girls, and they were told to resign.

The CHAIRMAN. But they are advertising for help to come here now, I see?

Mrs. GOULD. But what is the use to advertise for help to come here and get the joy riders, if there is no place to sleep?

The CHAIRMAN. Nevertheless they are advertising for help to come here.

Mrs. GOULD. Well, I can not help what they are advertising for. I want to get back to the high cost of living. This winter Mr. Eidlitz—and it is on record—

The CHAIRMAN (interrupting). He was the contractor of the building program—

Mrs. GOULD. Under Mr. Wilson, Secretary of Labor.

The CHAIRMAN. Outside of Washington?

Mrs. GOULD. No, sir; in Washington.

The CHAIRMAN. I thought that it was outside of Washington.

Mrs. GOULD. I investigated this afterwards. It is all on record. I even went to Mr. Tumulty, the Secretary of the President, and I know what I am talking about. Lots of people do not like to do these things because they are afraid, but I am not afraid to go to anybody. I am going to tell what I know about these people, because of your idea of putting us under the Department of Labor. You can not put me under the Department of Labor. I prefer death, because I have seen death—

The CHAIRMAN. But suppose that we would make you the woman director?

Mrs. GOULD. No, sir; I would not take it.

The CHAIRMAN. It seems to me that you have been studying that matter and that it would be along your lines.

Mrs. GOULD. When I want to fight a thing I would not take a position. I left that great national party because I wanted to fight a situation, and I was not scared to do it.

The CHAIRMAN. You ought to get results.

Mrs. GOULD. I spent hundreds of dollars here out of my own pocket. I was arrested almost—

The CHAIRMAN. You do not think you would be arrested or that you would be liable for imprisonment for telling the authorities here what you know?

Mrs. GOULD. I know I would have been at that time——

The CHAIRMAN (interrupting). For telling the conditions that you have told here?

Mrs. GOULD. Yes; and there are many women that could tell things to you that would make your heart bleed, if they were not scared to do it. I am not scared, but I know that I am one in a million. Why am I not not scared? Because I want nothing. I do not want to be the President of the United States, I do not want to be a Senator or a Congressman, and I do not want a fat job; but suppose that my daily bread depended upon it, would I be scared then to tell you gentlemen? But I am not afraid of anybody. I know that you know that I am here for humanity.

The CHAIRMAN. Well, I think——

Mrs. GOULD (interrupting). I worked day in and day out trying to do what I could to help them. I went to the hospital where the children were, and there was one child there really where he had had his hand eaten off, and I went to the Department of Labor——

Mr. CARSS. Did you go to any Congressman or to any Senator and say anything about it?

Mrs. GOULD. No; you were too busy, and when one comes to see you they will say, "There is that suffragette woman again." I went to see those women. If you men had not just put that into the hands of the Labor Department there would have been the grandest monument built to women in this country that there is in any country in this world. Do you think that we would want to be sent to a department where labor controls us? I am speaking for a great many women who would be here if they were not scared to come and speak here. They all say, "You speak, you speak, you speak." They all say, "If I speak I will lose my job." Do you think that they want to get on the black book of any of these organizations that you know about? Not any of them. If any farmer ever gets on the black books he is dead, and that is the fear of putting the Federal Government in control in any department.

The CHAIRMAN. You do not reckon that any farmer would object to coming in here, do you, or sending their daughters here——

Mrs. GOULD. Coming to Washington?

The CHAIRMAN. Coming in here to Washington——

Mrs. GOULD. I would much rather see the farmers stay at home until they force you men to build good roads and sanitary houses and supply them with school-teachers, so that they can learn to read and write. It was not until we got the soldiers, until we found out how illiterate the soldiers were, that you realized the conditions in that regard.

The CHAIRMAN. Do you know how many millions of dollars are appropriated by the Government each year for good roads?

Mrs. GOULD. Well, do they go to the good roads? You are appropriating for the housing, but where did you get to?

The CHAIRMAN. We are going to find that out if you will give us a little time.

Mrs. GOULD. But we do not want to have the girls come back here and die this winter, you know. I could tell you gentlemen, in con-

nection with the housing business, more, but I had a newspaper woman do that, and expose and expose until the doors were closed to us wherever we went. I went to the Labor Department——

The CHAIRMAN. Let me tell you that there is a committee, I think, now appointed in the House, the Committee on Public Buildings and Grounds, that is investigating that very question, the housing question, I think.

Mrs. GOULD. I beg your pardon, but any man that would have——

The CHAIRMAN (interrupting). They have appointed a committee to make inquiry into that.

Mrs. GOULD. When did you appoint it, since when?

The CHAIRMAN. They have a committee to find out about that.

Mrs. GOULD. Well, why don't you place the money where it will be taken care of and look carefully before you make a step, and it behooves you to look carefully before you make a step, and it behooves you to look carefully before you place the money for this Federal bureau in the Department of Labor if you insist upon furnishing the labor for the country. Then you should give the money where it will be handled neutrally by the merchants and the employers——

Mr. EVANS. Mrs. Gould, let me ask you, are you able to make a detailed statement, giving the times and places and the persons covering the happenings which you have given here, and will you do so and put it into the record?

Mrs. GOULD. I do not know whether I can or not, sir. I have not enough money to pay for the keeping of the records, and that information is only in my mind, I did not keep the dates, but I will get up before Secretary of Labor Wilson and say what I say here, and more, too.

Mr. EVANS. Well, if you can not give a full list, can you make any partial list, giving the dates and the persons and the places——

Mrs. GOULD. I think that I can, sir.

Mr. EVANS. Will you do that and hand it to the reporter? That will give us details so that we can get at something. Let me make myself plain. It is useless for me to go out and say that Mrs. Gould said such and such a thing existed somewhere, but don't know where.

Mrs. GOULD. The Civil Service Commission employs many, many people, and I am a believer in the Civil Service Commission, because it makes you just know what you do know and what you don't know. All during this war I ate in the cheap restaurants with the girls, and I associated with the girls, and I tried to get the information, and many of them would not tell me their names, for they were afraid of losing their situations——

Mr. EVANS. But you know the places——

Mrs. GOULD (interrupting). Yes, sir.

Mr. EVANS. And the times?

Mrs. GOULD. Some of them, I should say.

Mr. EVANS. And some of them you know the persons, do you not?

Mrs. GOULD. Yes, sir.

Mr. EVANS. And the circumstances?

Mrs. GOULD. Yes, sir.

Mr. EVANS. And will you please make out that list and hand it to the stenographer?

Mr. CARSS. Especially in regard to the housing conditions, where you say that there were eight in a room.

Mrs. GOULD. I went out—I was acquainted with a little girl—I met her at a restaurant where she used to eat——

Mr. CARSS (interrupting). You said something about the hotel run by the Government on the Plaza. You stated what the conditions were. I had always been under the impression and had been led to believe that it was a comfortable place down there. Have you been in that hotel?

Mrs. GOULD. No; not any more than I have been acquainted with it from talking with the girls——

Mr. CARSS. But you do not know anything about that from your actual experience?

Mrs. GOULD. I know that during the war we were asked to take up the question, because it had been given out that they were going to charge \$45 a month for rooms for the girls, but the armistice came on and it wasn't finished and I dropped that work now. The Civil Service Commission offered to help us with our plans to get a building——

Mr. CARSS. But you have not any particular criticism to make of that building, have you?

Mrs. GOULD. No, sir; but I think I can get a good many, a good deal of information from women who stayed there and who had been dissatisfied, but I have never been there. I do not know anything about that. I only heard that it was not getting an enviable reputation. I should say, Mr. Chairman, that these houses, and particularly where reputable women would go into them, and I heard a Government official speak—he said in public that there were over 700 girls there a month who went out of Washington, some because they were not efficient—well, you know. It is too sad to tell. That is what he said. “It is too sad to tell. You women know what it is.” And it has been asked, “Why don't you teach the daughters better,” and I asked, “Why don't you teach your sons better.” I have been in the thick of it, because I was on that work, and I believe in the girls being taken care of. The statistics will show that for every man of the Allies that was called into the war, that it was a loss to the commercial world of \$2,040 or \$2,400. I do not remember which. Now, if you will multiply \$2,040 by all the men called, you will see the vast amount of work that the women have got to carry on. We have got to put our shoulders to the wheel and carry business on, and that is one of the reasons that we have established the Chamber of Commerce, the Women's Chamber of Commerce, that women can be instructed how to help, and we are asking the men to teach us, so that we can help, and that is our work. Now, do you think that we are going to be prevented from doing that by any Labor Department?

The CHAIRMAN. Do you recommend the women to become farmers and to learn agricultural work—how to plow, etc.?

Mrs. GOULD. Yes, sir; and I will tell you that I can plow, and I can reap, and I can run a disk, and not only do I know how to use those machines, but I can set them off. I am not talking of things that I don't know anything about. I am talking of the things that I do know and that I believe in. That is what we are training the farmers' women to do, and we are going to open up community centers, and we are going to have a school, and we are going to have picture houses where the members of the community centers can go, and we are going to work with the members on the work of vocational education.

Just think of putting the youth of this country in touch with the vocational department of this bureau! Just think of it!

The CHAIRMAN. You would not put them in any bureau—it would be the same as any other bureau——

Mrs. GOULD. It would be a great deal worse, because this department is the volcanic department, and you do not want to place your youth in a department that goes to pieces every second.

The CHAIRMAN. But if the President would appoint a person, and that person is confirmed by the Senate, and is authorized to do that work, would you not think that he was a person entitled to some consideration?

Mrs. GOULD. But, Mr. Chairman, you can not keep politics out of everything, unless you do not care for yourselves——

The CHAIRMAN. Can you keep politics out of the labor unions?

Mrs. GOULD. No, sir; you can not.

The CHAIRMAN. You are a member of the labor unions, are you?

Mrs. GOULD. I am a member of the Women's Trades Union.

The CHAIRMAN. That is a general term, the Women's Trades Union; what particular part of it do you belong to?

Mrs. GOULD. I will tell you. I belong to the agricultural organizations of New York.

The CHAIRMAN. And are you an agriculturist also?

Mrs. GOULD. I am an agriculturist. I belong to the agricultural organizations of New York. I know all about agriculture. I am interested in agriculture. You will be fostering the ill feeling which will exist between the labor and the farmers with this bill. You had better look after the farmers. The farmers make your bread and butter for you, and you can not live without them.

Mr. CARSS. Don't you know that the labor of the cities and the country farmers are getting together?

Mrs. GOULD. Just let some of you gentlemen ask those who know about Mr. Hall's testimony, how they got so many resolutions favoring this thing. I am going to tell you how some of them were gotten.

Mr. CARSS. You spoke of your commercial club or your chamber of commerce. Where was it organized—in Boston or in New York?

Mrs. GOULD. It was incorporated right in this town. I went to Boston to speak, and we are in New York, Chicago, and here.

Mr. CARSS. You are organized here, do you say?

Mrs. GOULD. Yes; our charter was taken out here.

Mr. CASEY. Before you pass from that Women's Trades Union, let me ask you if that is a local organization or a national organization?

Mrs. GOULD. I think that it is a branch—it is New York State and a branch of the national organization, and the national organization is a branch of the American Federation of Labor. When we raised this \$25,000 for them, \$15,000 of that was passed over to Mr. Gompers's headquarters. \$5,000 went to national headquarters, and the State got \$5,000 to pass this bill through the legislature at Albany.

Mr. CARSS. That is a State organization, you say?

Mrs. GOULD. That is the State organization.

Mr. CARSS. And that was the minimum-wage bill?

Mrs. GOULD. Yes, sir; they wanted to pass it, and I found it would put hundreds of women out of night work. They asked me to speak for that, but I could not; I did not want to see any friction in——

The CHAIRMAN. What bill is that, you say?

Mrs. GOULD. The night labor bill, which was recently passed, and the minimum wage, to work only in the daytime.

Mr. MURPHY. Please let me ask you—do I understand you correctly—is it your idea that of the \$25,000 that was raised in New York only \$5,000 went directly to the purpose—

Mrs. GOULD. Twenty-five thousand dollars was collected in New York.

Mr. MURPHY. And only \$5,000 reached the real work for which it was intended?

Mrs. GOULD. Yes, sir; \$15,000 of it went to Mr. Gompers's organization—

Mr. MURPHY. And what did they do with the money? Did they use that in furthering the bill?

Mrs. GOULD. I understood so. I did not handle that. I was on the finance committee.

Mr. MURPHY. And you insist in your answer that only \$5,000 was applied to the purpose for which it was collected?

Mrs. GOULD. Well, as I understand it, \$5,000 went for the bill.

Mr. CASEY. You say that you collected \$25,000 for the purpose of passing the bill?

Mrs. GOULD. Twenty-five thousand dollars for that bill.

Mr. CASEY. For the minimum-wage bill?

Mrs. GOULD. Yes, sir.

Mr. CASEY. And who did you turn that over to, who of the American Federation of Labor did you turn over the \$15,000 to?

Mrs. GOULD. I do not know, sir, because I had nothing to do with that end of the business. I want to speak some here—

Mr. CASEY. I would like to ask you before we get off of that—you say that you do not know who it was turned over to, and yet you make the positive statement that \$15,000 of it was turned over to the American Federation of Labor—

Mrs. GOULD. So I understand.

Mr. CASEY. By whom?

Mr. GOULD. By the president of the State organization to the national president. We were invited down on Fifth Avenue, and our president, Mrs. Swartz, or it may have been Mrs. Raymond Robins, announced that they would have to collect \$25,000 and that \$15,000 of it would have to go to the American Federation of Labor, and \$5,000 would go to the national organization, and that they would have \$5,000 for themselves, and it was on those arrangements that I was put on the finance committee, and that is all I know about it, but whether that was actually done I do not know, but it was stated before this body of women that that would be done, and I was to go on the financial committee on that statement. We then and there collected a thousand dollars for preliminary work, right there. I do not know whether that thousand dollars was included in the \$25,000 or not.

Mr. CASEY. But there was \$25,000 collected, was there? You know that, do you, Mrs. Gould?

Mrs. GOULD. I think that it was; it was to be collected, and fifteen thousand of it was to go to the American Federation of Labor, and we were to work with it on the minimum-wage bill.

Mr. CASEY. But you do not know that it did go to them, and you do not know whether it was collected, and all you know is hearsay!

Mrs. GOULD. No, sir; I know that it was to be collected, because of the representations of the president of the State association.

Mr. CASEY. But did you see any of the money yourself, see the money, the \$25,000?

Mrs. GOULD. No, sir; but if you were to get up here, if you were to state, "We have got to collect \$50,000 for housing, and twenty-five thousand of it would go to so and so"——

Mr. CASEY. But you would not take my word for anything of that kind? You would want to see the \$50,000. You did not see the \$25,000.

Mrs. GOULD. No; I am not a member of the board of directors.

Mr. CASEY. And when you speak of the "Federation of Labor," do you mean the American Federation of Labor of Washington or of New York?

Mrs. GOULD. I mean the American Federation of Labor, with headquarters in Washington.

Mr. CASEY. And you think that \$15,000 of that money was sent down here to the headquarters?

Mrs. GOULD. I do not know whether it was sent down here to headquarters, actually turned over to them, but it was the instructions given to the finance committee.

Mr. CASEY. But you do not know of your own knowledge whether there was a dollar turned over to the American Federation of Labor?

Mrs. GOULD. I do not know whether it was turned over to anybody, but I do know that we were put on the work.

Mr. HENRY STERLING (legislative representative of the American Federation of Labor). Let me say for the American Federation of Labor that it has absolutely no revenue except as it comes to it through regular channels, through the dues and the payments for charters and matters of that kind. It has no such revenues as the lady has spoken of, and never has had any such revenues.

I want to say in addition that the Woman's Trades Union League is not a union organization, a labor-union organization, and it is not directly affiliated with the American Federation of Labor. It would never have any occasion to turn over a dollar in the way which the lady speaks of.

Mr. CASEY. Is it the practice of the American Federation of Labor to accept lump donations?

Mr. STERLING. From nobody.

Mr. CASEY. They never do that?

Mr. STERLING. No, sir; they never do. If they want revenue for a specific purpose, they appeal to their own organization for it.

Mr. CASEY. Do you know whether or not the \$15,000 that Mrs. Gould speaks about as having been turned over to the American Federation of Labor, whether it was ever received by the American Federation of Labor or not?

Mr. STERLING. Well, I am not the bookkeeper; I know that it is utterly outside of the organization.

Mrs. GOULD. Well, I am not afraid to tell what I know, and at the various conventions I never was afraid to state what I know. I was in Chicago with the national party as the national organizer in charge of welfare. I tell this because I do not want the labor people

to think that I am against them, because I am not. I am a friend of the laboring people. I help by giving hundreds of dollars to organized labor against the packers in Chicago. So I know that situation. I was there all the time that Mr. Walsh was there, and I attended the labor meetings, the largest in the land—I do not know whether they were supposed to be a labor union, but they voted—they passed, almost unanimously, a resolution that they would have a national strike on account of the Mooney case. The chairman of that meeting, who is a most excellent man, a noble man, and through his exquisite manipulation of that subject that resolution was not carried to have a national strike.

The CHAIRMAN. Do you know what his name was?

Mrs. GOULD. I do, sir; but I do not care to give it. It might create an unpleasant situation. He was a noble man of labor. They were talking about the Mooney case there——

Mr. CARSS. But what has that got to do with this case——

Mrs. GOULD. But it is coming back to this case. They say of me that I am against labor. I am not going to have that said of me, because I am not against labor. Out there they asked me if I had any influence in California. I said, "Yes; I have friends of influence in California." There was some talk about Mooney being innocent, and I said, "If Mooney is innocent I can get him off."

Mr. CARSS. But we do not care anything about the Mooney case.

Mr. GOULD. I would much rather you would. I wired out there to a gentleman who was formerly United States district attorney, and I said to him, "If Mooney is innocent there is danger of a national strike, and I want you to defend him, and I will bear the expense," and, to-day, if that would free Mooney, I would. I want this in the report so that they can not say that I am against labor——

The CHAIRMAN. Why would you free Mooney? You say that you would free Mooney if you could?

Mrs. GOULD. Well, I think, sir; that there may be doubt of whether he is guilty, and I do not believe in capital punishment, and I hate to see a person go out of this life with a doubt as to his guilt or innocence.

The CHAIRMAN. But has was not sentenced to capital punishment.

Mrs. GOULD. He was at that time.

The CHAIRMAN. And it is because of a doubt of his guilt——

Mrs. GOULD (interrupting). Yes; I would rather give him the benefit of the doubt than to have him killed. There is another occasion which will show you what the underhanded work of a Federal bureau can do. The word "Federal" has its terrors; if you say to a working girl—a simple little stenographer—if you say that you are with the Federal Government, "You have no right to do this," there is something about it that terrorizes the girl. And there is an organization formed, and many of the members of this bureau are in that organization, and it was formed against us, and they were sending hundreds of women out to organize. They held a convention in St. Louis a short time ago and they passed a resolution asking for this bill to pass, and that organization had a fight down there; you see, they split up over the question of who was going to be president and secretary, and now one side accuses the other of using the Council of Defense money to form that organiza-

tion against us; and they are members of this, you see, the Young Women's Christian Association, and many of these girls are in States in opposition to us—are members of the Young Women's Christian Association—and it was charged that the Young Women's Christian Association was paying the delegates' expenses from a fund of the United War Work Council, and they are demanding a Senate investigation. Also, I may tell you, I was informed that an investigation of this bureau was all ready to be made and would have been made by this time had it not been for the league of nations, and much evidence and testimony has been gotten together.

The CHAIRMAN. Now, Mrs. Gould, if you would like to file a brief in addition to your statement—

Mr. CARSS. Before you leave, I would like to ask a question.

Mrs. GOULD. I want to say one word before I go. I am not accusing anybody of any wrong, but I want to tell this about the department, that the day before yesterday Mrs. Neale came up and telephoned to a member of our organization asking for an interview with me, to talk over what I knew about this thing being supported by the Council of Defense. She was in the room the other day—

The CHAIRMAN. I understand that she is in the room now.

Mrs. GOULD. Understand me, Mr. Chairman, I am not accusing Mrs. Neale, but I am telling you the way things are going to be if you happen to be a Federal Government employee.

The CHAIRMAN. Well, I am employed by the people.

Mrs. GOULD. But you are put in here by the people and you are a representative of the people.

STATEMENT OF E. A. COLVIN, REPRESENTING THE ASSOCIATION OF FARMERS UNIONS OF THE COTTON STATES.

The CHAIRMAN. Give your name and address to the stenographer, please.

Mr. COLVIN. E. A. Colvin, and my home is in Houston, Tex.

The CHAIRMAN. And what is your official position?

Mr. COLVIN. I represent the Association of Farmers Unions, president, of the cotton States.

The CHAIRMAN. And are you for or against this bill?

Mr. COLVIN. I am against the bill as it is, but I am—

The CHAIRMAN. Are you opposed to the establishment of a Federal free employment bureau?

Mr. COLVIN. Yes; as contemplated by this bill.

The CHAIRMAN. But setting aside the question of this bill, are you opposed to the establishment of a Federal free employment bureau?

Mr. COLVIN. No; I am not. I will explain in a few words—

The CHAIRMAN. And you are appearing for the cotton growers?

Mr. COLVIN. Yes, sir.

The CHAIRMAN. And live in Texas?

Mr. COLVIN. Yes, sir.

The CHAIRMAN. You may proceed.

Mr. COLVIN. I am not opposed to a Federal bureau, but I would prefer that bureau be merely a clearing house or agency to keep the different parts of the country in touch with the labor situation. I guess I am one of the old-fashioned Democrats. I believe in State rights, and I believe that these organizations should be carried on by

the various States as far as possible. I have heard it stated here that there are only a few organizations in a few States, and the States are still to take hold of the proposition, and perhaps some legislation—

Mr. CASEY (interrupting). You say that you live in Texas?

Mr. COLVIN. Yes, sir.

Mr. CASEY. And is it not a fact that the Texas Legislature has indorsed this bill?

Mr. COLVIN. Yes, sir; so I understand. I do not think that that action of the State legislature binds my conscience, however. It was not an issue when the legislature was elected or it might have been different.

Mr. CASEY. Well, I just asked the question to find out whether you knew that or not.

Mr. COLVIN. Yes, sir; I was going on to say that perhaps some of the States will adopt or encourage the bureau of employment. If they do not, Mr. Chairman, I take it for granted that it is because they do not want it and do not think it is necessary, and I do not think. Mr. Chairman, it is necessary that the Federal Government should tell the States that it is necessary for them to establish a bureau. If they have not adopted these bureaus it is because they do not desire them. I served four terms in the Texas Legislature myself—

The CHAIRMAN. Does that rule always obtain, and would you apply that rule to all Federal activities?

Mr. COLVIN. I do not know that I would. I might make exceptions in some instances. It seems to me—I will pass on; I will not take up much time—but it seems to me that I would favor the establishment of a clearing house to do with the various State organizations when they are established, if they are established; and my conception of an organization of that kind would be merely a director with a half dozen stenographers to keep in touch with the various parts of the country and to keep the various parts of the country advised as to labor conditions from the reports to the clearing house, and not as a department, but enter into the daily life of all parts of the Nation.

Mr. CASEY. You differ with the chambers of commerce and the organizations of the national defense—

Mr. COLVIN. I might have with all of them.

Mr. CARSS. What organization is yours?

Mr. COLVIN. The association—president of the Farmers' Unions of the Cotton States of the United States. You understand in that connection that quite a lot of propaganda has been carried on from Washington here in the interest of this proposed legislation?

Mr. CASEY. And do you know of any propaganda being carried on by the manufacturers' associations?

Mr. COLVIN. I have not seen any, but I do not doubt but there has been some.

Mr. CASEY. So that you won't have any doubt, I make the positive statement that there has.

Mr. COLVIN. I have not seen any, but I have no doubt there would be a great deal more agitation carried on by both sides of the question, and I think it is perfectly proper.

Now, then, I will point this out, Mr. Chairman, if you will pardon my expression, this is a species of bribery of the United States. You propose to say to the several Governments, "If you will appropriate a like amount to encourage this kind, we will give a certain amount of money out of the Federal Treasury."

The CHAIRMAN. Do you think that is Federal bribery?

Mr. COLVIN. A species.

Mr. CARSS. Do you consider the good-road building bribery?

Mr. COLVIN. I doubt the wisdom of it; I doubt the wisdom of the move carried on by the Department of Agriculture.

Mr. CASEY. How about vocational education; do you, then, approve of that principle?

Mr. COLVIN. I do not approve of that principle.

Mr. CASEY. Did you sign any circulars that were sent out for or against this bill?

Mr. COLVIN. None except some written out myself.

Mr. CASEY. That is what I mean. Have you sent some out—circulars?

Mr. COLVIN. I sent the Congressmen a circular; I expect you got a copy of it.

Mr. CASEY. Do you call that propaganda?

Mr. COLVIN. Certainly it is. I was expressing my views against the bill, and you indicate by the question I did not have the right to do so.

Mr. CASEY. No, no. I am trying to get the record clear, that you tried to infer that there was an unfair attitude by those favoring the bill by propaganda, and also sending propaganda—

Mr. COLVIN. I do not say that it was unfair. I do not regard it as unfair.

The CHAIRMAN. The bill is far-reaching—

Mr. COLVIN (interrupting). You have the wrong impression.

Mr. CASEY. I wanted to clear the record; that is all.

Mr. COLVIN. All right; I hope it is clear. Now, then, if there is to be a department of this kind, Mr. Chairman, so far as the farmers are concerned I can not see any reason why the farmers' end of it could not be carried on through the Department of Agriculture. I can not see why the farmers should be asked to depend upon the Department of Labor, which represents labor; if they supply the labor, it indicates that they should be expected to indorse this legislation. The Department of Agriculture, with its county agents, to report as to the condition of labor in every county, and with a clearing house in the department, the farmers could be advised as to where labor is needed and not needed.

Mr. CASEY. Is not that being done now?

Mr. COLVIN. Yes. Why should not—

Mr. CASEY (interrupting). Is not that being done now?

Mr. COLVIN. I think they are doing it to a certain extent.

Mr. CASEY. And isn't it connected up with the Department of Labor so as to help the farmer?

Mr. COLVIN. In a measure; I happen to know that there is not that close connection that perhaps should exist. I do not think it should exist at all. I think that the Department of Agriculture should look after it.

Mr. CARSS. Do you object to cooperating with the Department of Labor in getting this information?

Mr. COLVIN. I do not think there is any necessity for two departments carrying on the same work. For a number of years I have been a very ardent advocate of home ownership and have done a great deal of work, so far as farms is concerned, and I have worked on this question, and I see in this an attempt at the destruction of a great many homes in this country. As I said in this circular, it has a tendency to make itinerants of people, or transients of people, and I believe in the course of time, if this policy is established, there may be thousands, there may be millions, of folks in this country who will look wholly and exclusively to the Federal Government to tell them when and how to go.

The CHAIRMAN. How brought about?

Mr. COLVIN. By the thing growing and getting into the lives of those people who are of a roving disposition and seeking new places and applying to the Federal jobs in distant parts of the country; and I do not see how anybody can question that fact, that it will have that tendency. It might not be bad—I do not know about that—but there is no question—

Mr. CARSS (interrupting). Assuming that a man is seeking employment and there is a job around the block, he would not go, then, to San Francisco to look for a job; or do you want the department to inform him of a job near at home?

Mr. COLVIN. I have no objection to the State, county, and municipal organization. They are the ones to attend to the around-the-block proposition—not the Federal department in Washington.

Mr. CASEY. In what way does it interfere with the State, county, and municipal employment services, do you suggest?

Mr. COLVIN. It has the tendency to make the State not rely upon itself and look for the other Government, and there is entirely too much running to the Federal Government by those States. This reaching out into the States is fraught with politics and has political significance. It is building a great machine, which, in my mind—I may be wrong—looks too much like patterning after the German and Kaiser means.

Mr. CASEY. Do you believe the Federal Government, reaching out its arms into several States and saying to the States, whether or not they wish it, that they should have prohibition?

Mr. COLVIN. I have always been a prohibitionist, and I always preferred that we have prohibition by the States, and I advocated Federal prohibition as a last resort. It is a different proposition altogether, because when we have prohibition we have national prohibition, and we do not continue everlasting into the daily life of every citizen; but there is no doubt it will be enforced very largely by the State authorities; but there it is, a proposition of every day—

Mr. CASEY. It is coordinating with the State laws just like the—

Mr. COLVIN (interrupting). Under the prohibition you do not appropriate \$10,000,000 annually to be divided among the States, provided they behave themselves. You say, "If you will be good, we will give you the \$10,000,000 in this appropriation."

Mr. CASEY. Don't you think it will cost the Government more for prohibition?

Mr. COLVIN. I think it will be a State question, so far as the enforcement is concerned.

Mr. CASEY. It is all right to throw down State lines when it meets with something that you are advocating—

Mr. COLVIN (interrupting). No; I just meant this: It looks like it becomes a necessity to have national prohibition or none at all, and when the Federal statute is once passed and it becomes a fixed institution, there is no appropriation to the States to say, "We will give you money if you enforce and not if you do not."

Mr. EVANS. Is not there also this difference, you can carry those helping agencies without injuring the other States, while in the prohibition matter the factor in one State is carried into the other injuriously—

Mr. COLVIN. If I understand it, the Federal Government won't undertake to enforce the prohibition law, but lets the States do that.

The CHAIRMAN. I was very much interested in what Mrs. Gould said about trying to preserve home life and building it up on the farm, and I think it would be a great thing for our country, the environment of the country home life, if there could be something like those in the cities, and I shall be very glad if that condition can be brought about; but suppose that your cotton growers in Texas crops fail and they had a surplus of labor, and that over in Louisiana you want some of that labor to harvest, to secure the 15,000 acres of sugar cane, how could the free State employment bureau in Texas help out the free employment bureau of Louisiana and relieve that situation without performing the functions that are intended to be performed by the national bureau?

Mr. COLVIN. My first answer is that those things have always taken care of themselves. My second, that is a calamity and emergency might be made as such—

The CHAIRMAN. I mean by performing the same function as is undertaken to be performed by this bureau—

Mr. COLVIN. Yes; what I consider the detrimental effect, the conditions that would be brought in any of the various States through the influence of the appropriation. If there was such a municipal organization, it would be very easy for this organization to wire the Louisiana or Georgia organization to ascertain whether or not the labor was over there; and if they had a director in Washington to keep tab on every State, county, and municipality, and ready to furnish the information to every city immediately, I can not see why that would not be the situation as you speak of precisely without having a great bureau, with a great, magnificent building, with three or four thousand clerks.

The CHAIRMAN. Whenever there is unemployment in the country it is a national loss, is it not?

Mr. COLVIN. Yes, sir.

The CHAIRMAN. Now, with this little bit of office it would be—

Mr. COLVIN. If you don't—

The CHAIRMAN (interrupting). But with this bureau working, that would avoid that national calamity?

Mr. COLVIN. At the same time, if you do not resort too much to the federalization of power in Washington. I believe there is a great menace; there is never a bill of this kind comes up in Congress but what there is a very decided number of men that say there is entirely too much tendency to run to Washington for aid and assistance through legislation, and I have talked to some Congressmen who believe as I do, who, under pressure and under the exigencies of the occasion, will vote that way just the same, hoping that the day will come when it will turn back. It does look to me that the bureau of information would accomplish the same purpose without going out and putting in a measure that will say to the States, "If you will be good, we will be good to you."

The CHAIRMAN. We are very much obliged to you. We have one or two more witnesses. If you would like to put in anything else, we would be very glad to have you hand it to the reporter.

STATEMENT OF MRS. MARGARETTE NEALE, ASSISTANT TO DIRECTOR GENERAL UNITED STATES EMPLOYMENT SERVICE FOR WOMEN'S WORK.

Mrs. NEALE. Organizations with a total membership of 12,000,000 women have indorsed the United States Employment Service.

The CHAIRMAN. When and where?

Mrs. NEALE. The National Council of Women, with its 10,000,000 members, which includes between 30 and 35 organizations: the General Federation of Women's Clubs, and various ones, which I will gladly submit here; the National League for Women's Service; and the Woman's Trade Union League. The committee asked Mr. Hall how the resolutions came to the department. I will say that they were absolutely unsolicited, and they came in some cases from the national head, and in other cases from their various State chairmen. I have a little memorandum here—

The CHAIRMAN. Would you like to have that go into the record?

Mrs. NEALE. I think it should be explained—

The CHAIRMAN. Without objection, permission will be granted. Leave it with the stenographer.

(The memorandum above referred to is here printed in the record in full, as follows:)

JUNE 21, 1919.

From: Assistant to Director General United States Employment Service.

To: The chairman of the Joint Committee on Labor of Congress.

Subject: Resolutions of women's organizations indorsing the Employment Service.

During the past year a large number of the most prominent and informed women's organization have been led through their interest in women's work to pass resolutions indorsing the United States Employment Service, and urging Congress to continue it.

Copies of a number of these resolutions are attached with signatures in case the executive officers presented a signed copy to the Employment Service.

Copies of resolutions which do not bear official signatures were presented in each case to the Employment Service by some executive officers of the organization, and are to the best of my knowledge and belief authentic, and are the resolutions presented to Members of Congress.

MARGARETTE NEALE,
Assistant to Director General.

NATIONAL COUNCIL OF WOMEN, UNITED STATES OF AMERICA,
St. Louis, Mo., December 14, 1918.

MEMBERSHIP LIST.

Association of Collegiate Alumnae: President, Mrs. Louis K. Mathews Rosenberry, M. B., 504 Wisconsin Avenue, Madison, Wis.; executive secretary, Mrs. G. S. Martin, 934 Stewart Avenue, Ithica, N. Y.

Children of American Loyalty League, November, 1918: President, Mrs. Nat S. Brown, Boatman's Bank Building, St. Louis, Mo.

Federal Suffrage Association of United States: President, Rev. Olympia Brown, 934 Lake Avenue, Racine, Wis.

General Federation of Women's Clubs: President, Mrs. Josiah Evans Cowles, 1101 West Adams Street, Los Angeles, Calif.

International Child Welfare League: President, Mrs. Walston Hill Brown; executive secretary, Mrs. Isabella Charles Davis, 24 East Forty-fourth Street, New York City, N. Y.

Ladies of the G. A. R.: President, Mrs. Ross Houghton, Seattle, Wash.

Ladies of the Maccabees: President, Mrs. Frances E. Burns, St. Louis, Mich.

National Council of Jewish Women: President, Mrs. N. E. Harris, 114 South Avenue, Bradford, Pa.

National Congress Mothers and Parent-Teachers Association: President, Mrs. Frederick Schoff, 3418 Baring Street, Philadelphia, Pa.

National Federation of Colored Women: President, Mrs. Mary B. Talbert, 521 Michigan Avenue, Buffalo, N. Y.

National Federation of College Women: President, Mrs. Myra Kingman Miller, apartment 4-2, 100 Central Park South, New York, N. Y.

National Federation of Musical Clubs: President, Mrs. A. J. Ochsner, 2106 Sedgwick Street, Chicago, Ill.

National Florence Crittenton Mission: President, Mrs. Kate Waller Barrett, M. D., 408 Duke Street, Alexandria, Va.

National League of Women Workers, January, 1918: President, Mrs. B. E. Pollak, 53 East Seventy-seventh Street, New York, N. Y.

National Women's Relief Association: President, Mrs. Emmeline B. Wells, Salt Lake City. Send to Mrs. Amy Brown Lyman, room 38, Bishops Building, Salt Lake City, Utah.

National Woman's Republican Association, December, 1918: President, Miss Helen Varick Boswell, 105 West Fortieth Street, New York City, N. Y.

National Woman's Suffrage Association: President, Mrs. Carrie Chapman Catt, 171 Madison Avenue, New York City, N. Y.

Needlework Guild of America: President, Mrs. Truman H. Newberry, Detroit, Mich.; corresponding secretary, Miss Rosamond K. Bender, 804 Colonial Building, Philadelphia, Pa.

People's International Forum: President, Miss Kate Davis, 1290 North Lockwood Street, Cleveland, Ohio.

Women's Benefit Association of Maccabees: President, Miss Blina M. West, Port Huron, Mich.

Women's Department, National Civic Federation: Chairman, Miss Maude Westmore, 105 West Fortieth Street, New York, N. Y.

Women's National Rivers and Harbors Congress: President, Mrs. Joseph M. Strout, 201 Pleasant Avenue, Portland, Me.

Women's Peace Party: President, Miss Jane Addams; executive secretary, Mrs. Eleanor Daggett Karsten, room 500, No. 116 South Michigan Avenue, Chicago, Ill.

Woman's National Christian Temperance Union: President, Miss Anna Gordon, Evanston, Ill.

Woodmen's Circle, January, 1918: Supreme Guardian, Mrs. Emma B. Manchester, W. O. W. Building, Omaha, Nebr.

Young Ladies' National Mutual Improvement Society: President, Mrs. Martha H. Tingey, 1910 Main Street, Salt Lake City, Utah.

Young Women's Christian Association: President, Mrs. R. E. Speer; executive secretary, Miss Mabel Cratty, 600 Lexington Avenue, New York City, N. Y.

National Woman's Relief Corps: President, Miss Eliza Brown Daggett, 30 South Main Street, Attleboro, Mass.

NATIONAL COUNCIL OF WOMEN.

Resolutions passed at the thirty-first annual meeting of the executive board of the National Council of Women, April 18, 1919:

Whereas there are between eleven and twelve million wage-earning women in the United States to-day; and

Whereas the United States Employment Service has placed 800,000 of these women in essential industries during the past year, widened woman's economic opportunity, helped to maintain labor standards in every community, and by so doing caused a vast saving in labor turnover, and

Whereas this service is now being called upon by employers and employees at the rate of 500,000 per month, and

Whereas the United States Employment Service is placing 80 per cent of all demobilized soldiers, sailors, and marines who wish aid in securing employment, and

Whereas justice demands that the Nation provide employment systems in order that soldiers, sailors, and war workers be not penalized for their war service; and in order that woman's wider interest and equality of opportunity in industry, gained during the war, be not now relegated to a minor place: Therefore be it

Resolved, That the National Council of Women, remembering the President's patriotic appeal to the women of the country to steadfastly uphold the standards for which our forefathers fought, and believing that industrial unrest is augmented by unemployment, requests that every member of the federation should use her best efforts to secure the legislation required to establish the United States Employment Service within the Department of Labor on a permanent, national basis, and be it further

Resolved, That a copy of this resolution be spread upon the minutes of the thirty-first annual meeting of the executive board of the National Council of Women; that a copy be transmitted to the President of the United States, the Secretary of Labor, the President of the Senate, and the Speaker of the House of Representatives of the United States, respectively, and that every club officer be requested to send a copy to the Senator and Representative in Congress from her State.

EVA PERRY MOORE,
Mrs. PHILIP NORTH,
President.

MARY M. NORTH,
Secretary and Chairman of Publicity.

RESOLUTION OF NATIONAL LEAGUE FOR WOMAN'S SERVICE, NEW YORK CITY, MARCH 17, 1919.

In this time for urgent need for placing the demobilized soldiers and war workers in civilian employment and the necessity of the readjustment of the employment of girls and women, coincident with the return of the demobilized forces to civilian life, the National League for Women's Service recognizes the vital importance of a United States Employment Service for men and women; therefore be it

Resolved, That the National League for Woman's Service does hereby offer to the United States Department of Labor its hearty cooperation for the continuance of the Employment Service; that the director general be asked to define the principle "upon which consideration must be given to continuing both men and woman's work," with the recommendation that in making the allotment of funds available, pending the next session of Congress, a pro rata amount, based upon industry's relative demand for men and women workers, be utilized in order that the deficit left after such pro rata is made may be known and serve as a basis for action in each community.

RESOLUTION OF ASSOCIATION OF COLLEGIATE ALUMNÆ, ITHACA, N. Y., APRIL 17, 1919.

Whereas we believe that the continuance of a country-wide system of public employment offices is essential to the adequate solution of the urgent industrial and community problems confronting the country in this period of readjustment and reconstruction; and

Whereas we believe, furthermore, that the establishment by law of a permanent United States Employment Service with the Federal Government and the States cooperating therein would be an act of far-reaching and constructive public policy, contributing to the stabilizing, understanding, and improving of working and living conditions in the United States; and

Whereas as college women we are profoundly convinced of the necessity of the right sort of professional leadership in industrial, social, and civic affairs: Therefore be it

Resolved, That we, the members of the Association of Collegiate Alumnae, representing the graduates of 75 universities and colleges of the United States, in biennial convention assembled in St. Louis, Mo., on the 3d day of April, 1919, do most earnestly petition and request the Congress of the United States—

(1) To provide for the continuance of the present War Emergency United States Employment Service until such time as a permanent service may be established by law, in order that a country-wide system of public employment offices under the direction of the Government may not lapse at a time when it is imperatively needed and is winning the confidence of all groups of workers and employers and of the public; and

(2) To establish by statute at the earliest possible opportunity a permanent United States Employment Service with powers and duties defined in the light of the best experience of such services in this country and elsewhere, and after a comprehensive study of its fullest possibilities of usefulness; and

(3) To provide in such a permanent service a service for professional workers, both men and women, in order to secure the fullest participation of such workers in the productive work of the country, to enlist the cooperation of colleges and professional schools in the training of such workers and to assist in drawing into public employment service as a career the best type of young men and young women; and be it

Resolved, That copies of this resolution be sent to all members of the United States Congress.

RESOLUTIONS OF GENERAL FEDERATION OF WOMEN'S CLUBS, 1918-1920.

[Mrs. Josiah Evans Cowles, President, Los Angeles, Calif.; Mrs. Court F. Wood, Chairman.]

Whereas there are between eleven and twelve million wage-earning women in the United States; and

Whereas the United States Employment Service has placed 600,000 of those women in essential industrial industries during the past year, widened women's economic opportunity, helped to maintain labor standards in every community, and by so doing caused a vast saving in labor turnover; and

Whereas justice demands that the Nation provided an employment system in order that soldiers, sailors, and war workers be not penalized for their war services; and in order that woman's wider interest and equality of opportunity in industry, gained during the war, be not now relegated to a minor place: Therefore, be it

Resolved, That the General Federation of Women's Clubs, believing that industrial unrest is augmented by unemployment, should use its best efforts to secure the legislation required to establish the United States Employment Service within the Department of Labor on a permanent, national basis, and be it

Resolved, That a copy of this resolution be spread upon the minutes of the General Federation of Women's Clubs at the council meeting, that an engrossed copy be transmitted to the President, the Secretary of Labor, the Senate and House of Representatives, respectively, and that the States and clubs here represented be requested to send a copy to their Senators and Representatives in Congress.

ASHEVILLE, N. C., May 27, 1919.

RESOLUTION OF MISSOURI FEDERATION OF WOMEN'S CLUBS.

Whereas there are between eleven and twelve million wage-earning women in the United States to-day; and

Whereas the United States Employment Service has placed 600,000 of these women in essential industries during the past year, widened woman's economic opportunity, helped to maintain labor standards in every community, and by so doing caused a vast saving in labor turnover; and

Whereas the United States Employment Service is placing 80 per cent of all demobilized soldiers, sailors, and marines who wish aid in securing employment; and

Whereas justice demands that the Nation provide an employment system in order that soldiers, sailors, and war workers be not penalized for their war service; and in order that woman's wider interest and equality of opportunity in industry gained during the war be not now relegated to a minor place: Therefore be it

Resolved, That the Missouri Federation of Women's Clubs, believing that industrial unrest is augmented by unemployment, should use their best efforts to secure the legislation required to establish the United States Employment Service within the Department of Labor on a permanent national basis; and be it further

Resolved, That a copy of this resolution be spread upon the minutes of the Missouri Federation of Women's Clubs; that an engrossed copy be transmitted to the President, the Secretary of Labor, the Senate, and House of Representatives as soon as the session is called; and that a copy be sent to the Senators and Representatives in Congress from the State of Missouri.

RESOLUTION OF NEW JERSEY STATE FEDERATION OF WOMEN'S CLUBS, 1918-1920.

MAY 23, 1919.

Whereas the Federal Employment Bureau as carried on during the war has demonstrated the need for such bureau; be it

Resolved, That the New Jersey State Federation of Women's Clubs indorse the outline of bill for a national employment system (as unanimously adopted by delegates representing the governors of States and the United States Employment Service to a conference on employment called by the Secretary of Labor and held at Washington, D. C., April 23, 24, 1919), with special indorsement of clause 1, as follows:

"1. The United States Employment Service shall be continued as a permanent bureau in the Department of Labor, to promote the establishment and maintenance of public employment office for men, women, and juniors. It shall be managed by a director general, who shall be appointed by the President, and to assist in working out standards and policies for the operation of the employment system of the Nation; an advisory board may also be appointed by the President. A woman assistant director general shall be appointed by the Secretary of Labor to have general supervision of all matters relating to the employment of women, and there shall be such other assistants and employees in the District of Columbia and elsewhere as shall be necessary to carry out the purpose of the act."

MRS. BESS R. MANN.

MRS. DANIEL VAN WINKLE.

MISS CAROLINA B. LAMONTE.

EMMA L. VAN WINKLE, *Chairman*.

RESOLUTION OF THE NATIONAL WOMEN'S TRADE-UNION LEAGUE, IN NATIONAL CONVENTION IN PHILADELPHIA, JUNE, 1919.

Whereas during the war emergency period it was found expedient and necessary to the national security and defense to create within the Department of Labor a National Public Employment Service charged with the responsibility of recruiting and supplying the labor needed by those industries most vital to the proper support of the American armies in France; and

Whereas a National Public Employment Service is as expedient and necessary in time of peace as in time of war, in order to save wage earners from being exploited by unscrupulous fee-charging agencies; to advance their opportunities for profitable employment, and to afford every possible facility to workers out of employment in one State or section of the country to secure positions open in another; and

Whereas the United States Employment Service stands so high in the estimation of the public generally that, Congress having failed to pass the necessary appropriation measures for the continuance until the close of the present fiscal year ending June 30, 1919, it is now being continued largely at community expense; and

Whereas Congress has been asked by the Secretary of Labor to make legislative provision to continue the United States Employment Service as a permanent national employment service: Now, therefore, be it

Resolved, That the seventh biennial convention of the National Women's Trades Union League indorse the United States Employment Service and the splendid record it has made in placing millions of wage earners in permanent, profitable employment; and be it further

Resolved, That it is the sense of this convention that Congress of the United States should make immediate and adequate legislative provision for the continuance of the United States Employment Service in the Department of Labor as a permanent national employment service under the control and management of the Federal Government; and be it further

Resolved, While commending the Secretary of Labor and the Director General of Employment for the large measure of participation already granted to women in the supervision and direction of women's work, that it is the sense of this convention that the position of a woman Assistant Director General shall be created by statutory law and all matters relating to the employment of women throughout the country should be placed under the supervision of women employees to be directly responsible to a woman Assistant Director General; and be it further

Resolved, That copies of these resolutions be forwarded to the President of the United States, the Secretary of Labor, the Director General of Employment and the Congress of the United States.

BOSTON WOMEN'S TRADE-UNION LEAGUE, 665 WASHINGTON STREET.

Whereas it should be the function of the United States Government to provide means for the furnishing of employment to its workers: Therefore be it

Resolved, That this body go on record as heartily in favor of United States Employment Service, and that the delegates to this conference urge their various locals to send messages to Congress asking for an adequate appropriation for the United States Employment Service; and be it further

Resolved, That messages be sent from this body to Congress as soon as it convenes.

ADOPTED BY CONFERENCE OF NEW ENGLAND TRADE-UNION WOMEN AT PILGRIM HALL, BOSTON, APRIL 26, 1919.

Whereas there are between 11,000,000 and 12,000,000 wage-earning women in the United States to-day; and

Whereas, the United States Employment Service has placed more than 600,000 of these women in essential industries, thereby widening women's economic opportunity, helped to maintain labor standards in every community and by so doing caused a vast saving in labor turnover; and

Whereas the United States Employment Service is placing 80 per cent of all demobilized soldiers, sailors, and marines who wish aid in securing employment; and

Whereas justice demands that the Nation provide an employment system in order that soldiers, sailors, and war workers be not penalized for their service; and in order that woman's wider interest and equality of opportunity in industry, gained during the war, be not now relegated to a minor place: Therefore be it

Resolved, That the Department of Illinois, Woman's Relief Corps, believing the industrial unrest is augmented by unemployment, use their best efforts to secure the legislation required to establish the United States Employment Service within the Department of Labor on a permanent national basis, and providing that this service shall extend to men, women, and juniors; and be it

Further resolved, That fairness and justice demands that the position of assistant director general to be filed by a woman, and be it

Further resolved, That a copy of this resolution be transmitted to Congressman Good, chairman of the Appropriation Committee, and that each member be requested to send a copy or its equivalent to the Senators and her Representatives from her district.

Adopted by Department of Illinois Woman's Relief Corps, Auxiliary to the Grand Army of the Republic, in convention, Rockford, Ill., June 12, 1919.

MARYLAND STATE AND DISTRICT OF COLUMBIA

FEDERATION OF LABOR,

OFFICE OF SECRETARY,

Washington, D. C.

RESOLUTION No. 33.—RESOLUTION ADOPTED UNANIMOUSLY BY THE CONVENTION OF THE MARYLAND STATE AND DISTRICT FEDERATION OF LABOR, HELD AT LONACONING, MD., APRIL 14 TO 18.

Whereas the industrial problems resulting from the war require more than ever careful study and the development of wise governmental policies; and

Whereas the Sixty-fifth Congress failed to provide funds for the continuance of the United States Employment Service, the Women in Industry Service, and the Working Conditions Service, which branch of the United States Department of Labor we deem essential to the development and administration of labor policies: Therefore, be it

Resolved, That this convention calls upon the Sixty-sixth Congress to provide adequate appropriations for the maintenance of those bureaus and the expansion of their activities.

ETHEL M. SMITH,

Ash. Committee of the National W. T. U. L.

NORA B. JONES,

GERTRUDE McNALLY,

Federal Employees' Union No. 2.

ANNA NEARY,

Local 72, I. L. G. W.

MARY CONROY,

Local 123, Bindery Women.

MARY O'SULLIVAN,

Federal Employees' Union No. 105.

UNITED STATES DEPARTMENT OF LABOR,

UNITED STATES EMPLOYMENT SERVICE,

Washington, July 24, 1919.

THE NATIONAL COMMITTEE, BUREAUS OF OCCUPATIONS FOR TRAINED WOMEN.

The National Committee, Bureaus of Occupation for Trained Women, operates 13 placement and 1 vocational-information bureau in as many cities. Eight of these bureaus have become a part of the United States Employment Service. Several of these have wholly or in part supported our professional work for women in their cities since failure of the appropriation on March 22. At a conference held May 28 and 29, 1919, the United States Employment Service was indorsed, and it was moved to maintain those eight bureaus within the United States Employment Service if the appropriation is continued or on local funds if necessary, "to make themselves ready for a fuller contribution, when the time comes, to a democratic public service for every group of workers."

Letters addressed from National Council of Women, National League for Women's Service, Women's Committee, Council of National Defense, to their State chairmen instructing them in regard to cooperation.

Mrs. NEALE. I have some extracts from letters that have come to the department from time to time from manufacturers——

The CHAIRMAN. Would you wish them to go into the record?

Mrs. NEALE. If they may go in.

The CHAIRMAN. Without objection, permission will be granted.

(The letters above referred to are here printed in the record in full, as follows:)

In fact, you were able to obtain girls for us when all other sources of supply failed us. We appreciate very much what you have done, and hope that the service may be continued, so that we may still be able to use this source of supply for obtaining help.

WHITING-PATTERSON Co.,
Philadelphia, Pa.

We take this opportunity of expressing our appreciation of the great benefit we have received from your department, and feel sure that other firms with whom you have had dealings share the same opinion.

PENNSYLVANIA LAUNDRY Co.,
Philadelphia, Pa.

Thanking you for your hearty cooperation in your past efforts to supply the needs of workers for our factory and assuring you that it is our intention to heartily cooperate with you at all times.

SAVAGE ARMS CORPORATION,
Philadelphia, Pa.

We thank you for your assistance in sending help to us, both for the office and factory. We trust the bureau will continue the service, and we shall be glad to cull on you for additional help.

THE JOHN CRIMPTON Co.,
Philadelphia, Pa.

It is a pleasure to express the appreciation of this company for the very satisfactory help we have received recently from your department.

THE UNION NEWS Co.,
Philadelphia, Pa.

Permit me to express my appreciation of the excellent service rendered us by your department. The women which you sent were very satisfactory and were a great help to us.

THE BARRETT Co.,
Marcus Hook and Philadelphia, Pa.

We feel that your service is invaluable.

MILLER LOCK Co.,
Frankford, Philadelphia, Pa.

I want to take this opportunity of thanking your department for the help you have given us during the last five months. You have assisted us greatly in securing positions for about 85 girls. This means a great deal, for every girl had to have a job, because she either had dependents at home or was her own support. I trust we shall be able to continue our cooperation, for I believe it will do much toward helping the women morally, physically, and materially, for the street is no place for a girl without a job.

MIDVALE STEEL & ORDNANCE Co.,
Nictown, Philadelphia, Pa.

NOTE.—These girls were released after the armistice was signed, and the women's division placed them in their positions.

We wish to express our appreciation of the service rendered by your department in securing girls for our shop. Such applicants seemed to be above the average in skill and experience, while your prompt action in sending them resulted in the saving of valuable time. We thank you for your help, and promise our cooperation in the future.

JOHN Y. PARKE CO.,
31 North Seventh Street, Philadelphia, Pa.

The Government is making a great mistake to close the Chester office, for it certainly is needed. Where are industries to go for local help and where are people to go for jobs now that the office is closed. You certainly filled our needs, and I take this opportunity of thanking you.

SCOTT PAPER CO.,
Chester and Philadelphia, Pa.

Your very helpful cooperation in finding for us the proper person is much appreciated.

CHESTER EMERGENCY HOUSING CORPORATION,
Chester, Philadelphia, Pa.

We appreciate your efforts in supplying us with help and take this opportunity of thanking you for what you have done.

GENERAL CHEMICAL CO.,
Marcus Hook, Philadelphia, Pa.

You may feel assured that this company will cooperate with you in every possible way to accomplish the purpose of your endeavor.

FULTON TRUCK CO.,
2330 Market Street, Philadelphia, Pa.

We think it a wonderful arrangement for the Employment Service to assist business houses in securing employees and shall be glad to call on you for help.

FIDELITY & CASUALTY CO.,
330 Walnut Street, Philadelphia, Pa.

I am treasurer of the Consumers' League of Western Pennsylvania, and as a consequence have come in contact more or less with conditions surrounding the employment of men and women. By virtue of this experience I wish to indorse the theoretical and practical value of a centralized employment system.

HALE HILL,
St. Nicholas Building, Pittsburgh, Pa.

I take this opportunity of extending my appreciation of your division in general. I am sure that if all Government service were as efficient that we would have no fear as regards the employment problem.

IRENE KAUFMANN SETTLEMENT,
1835 Center Avenue, Pittsburgh, Pa.

The Urban League indorses the work done by the women's division of Pittsburgh.

URBAN LEAGUE,
505 Wylie Avenue, Pittsburgh, Pa.

We are pleased to state that service received through your office has been entirely satisfactory, and we trust your work may be continued, as we believe it meets a real need.

FARMERS' DEPOSIT NATIONAL BANK,
Pittsburgh, Pa.

I take this opportunity of expressing my appreciation of the work done by your department. I have had occasion to make use of the various departments, and in each case the situation has been given courteous consideration. The women's division in Pittsburgh has been of tremendous value to the city. It has established itself here in such a way that many would feel lost without it.

PENNSYLVANIA COLLEGE FOR WOMEN,
Pittsburgh, Pa.

I wish to thank you for the service your employment bureau has rendered us in sending on many occasions, at our request, competent office help. It is truly a pleasure to know that there is a reliable source to go to when the necessity arises for the employment of competent help.

YOUNG MEN'S CHRISTIAN ASSOCIATION,
Pittsburgh, Pa.

We have used your service several times to good advantage, finding it very satisfactory, indeed. We hope that this employment bureau will continue, becoming a permanent fixture.

VANADIUM-ALLOYS STEEL CO.,
Pittsburgh, Pa.

We take pleasure in testifying as to the excellent service rendered by your department. Prior to our use of your service there was the normal amount of lost motion in getting in touch through the usual sources with those who were seeking positions. The employees you have sent have been satisfactory, and for our convenience we hope that this department may be continued.

HARBISON-WALKER REFRACTORIES CO.,
Pittsburgh, Pa.

This association appreciates the work done by the women's division, and hopes that the service will be continued.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION,
Pittsburgh, Pa.

The work carried on by the women's division has been an excellent thing—a real service—both to employers and employees. It has been a real clearing house in regard to women's employment, and we hope that the service will be continued.

THE NATIONAL ASSOCIATION OF CORPORATION SCHOOLS,
Pittsburgh, Pa.

We thank you for the very prompt and efficient service you have given us in obtaining assistance. Your coordination of the placement departments of the various agencies assisting in the placing of women in suitable employment work out very effectively in this district, and at a time when assistance was most needed, both by those seeking work and by the employing agency. I believe that the placement of the unemployed is an activity which may very properly and helpfully be undertaken by governmental agency, and that thereby many of the evils and dangers of the private employment agency might be corrected satisfactorily.

CARNEGIE LIBRARY OF PITTSBURGH,
Pittsburgh, Pa.

Being interested in the work of the women's division of the United States Employment Service because of the splendid service the Pittsburgh division rendered our country and its people, I am writing you a letter of congratulation for the splendid work you and your associates have rendered since the women's division of the United States Employment Service was established.

UNITED MINE WORKERS OF AMERICA,
(Office of President), Pittsburgh, Pa.

I have had several occasions to call upon your division for help and found it beneficial, not only to myself but to the business interests of Pittsburgh, and hope that the service will continue.

GULF REFINING Co.,
Pittsburgh, Pa.

May I take this opportunity of expressing my appreciation of the valuable assistance offered by your department? I sincerely hope that the work may be continued, as the many evidences of the need and value both to employers and employees which have come to my personal attention during the past six months certainly indicate the desirability of its continuance.

CARNEGIE INSTITUTE OF TECHNOLOGY,
Pittsburgh, Pa.

We thank you for the courteous and efficient service your department has rendered us. We believe that the continuance of the bureau is highly desirable from the standpoint of the general welfare of the public, particularly during the crucial period of readjustment through which we are now passing, and we hope that the bureau will be established on a permanent basis.

ARMSTRONG CORK Co.,
Pittsburgh, Pa.

We wish to express our appreciation not only for your efforts but of your judgment in supplying us with help. We have been favorably impressed with the character of the people you have sent to us.

WHITE-HAINES OPTICAL Co.,
Pittsburgh, Pa.

We appreciate the splendid service rendered us by your department, and hope that the service will be continued.

JOSEPH HORNE Co.,
Pittsburgh, Pa.

We take this opportunity to inform you that we are pleased with the service which we have secured from your bureau, and hope that it will be made permanent.

REYMER BROTHERS,
Pittsburgh, Pa.

It would be a loss to our community to have the activities of the women's division in Pittsburgh discontinued, especially during this all-important period of reconstruction. Your service has been highly efficient and capable of handling an employment service which serves both the employer and employee.

THE BANK OF PITTSBURGH,
Pittsburgh, Pa.

In calling on your bureau for help, we found it very efficient. We hope that the service will be made permanent.

W. A. McCOMBS & Co.,
Pittsburgh, Pa.

I am informed that there is a possibility of the discontinuance of the women's division of the United States Employment Service. This is rather disquieting, as it would mean a distinct loss to this community. Aside from the actual finding of employment, there has been injected into your work something which is, unfortunately, lacking in the ordinary employment agency—the element of sympathetic consideration for the best interest of your clients. If our young women, starting on business careers or seeking change in employment, can continue to consult freely with those of their own sex and be assured a courteous, intelligent, and sympathetic attention, as well as the steadying influence of experienced, devoted women in the service of the Government, then we shall make a great stride forward, and the result should be of marked sociologic and economic value.

UNITED STATES STEEL & CARNEGIE PENSION FUND,
Pittsburgh, Pa.

I hope that everything will be done to retain the efficient service which has been organized by your department.

CIVIC CLUB OF ALLEGHENY,
Pittsburgh, Pa.

I congratulate you on the excellent work done by the women's division. The Government should continue on with this work when girls need help in getting jobs.

PITTSBURGH PUBLIC SCHOOLS,
Pittsburgh, Pa.

The women's division has been a great help to this company in finding capable women. The women sent out from your office have been very efficient and have remained with us as permanent employees. I congratulate you on the success of your organization in doing what it was meant to do, and I am sure in expressing the hope that it will not be necessary for the Pittsburgh office to disband. I am but voicing the sentiment that a great many other Pittsburgh companies who have profited by the efforts of your office undoubtedly feel.

THE ALUMINUM CO. OF AMERICA,
Pittsburgh, Pa.

Just a line of appreciation of your valuable services.

EQUITABLE LIFE ASSURANCE SOCIETY,
Pittsburgh, Pa.

I am sure it will be of interest to you to know how much we have been assisted by the Federal Employment Agency.

SOUTH SIDE HOSPITAL,
Pittsburgh, Pa.

You have done excellent work in the woman's division of the Federal Employment Bureau.

LEONARD S. LEVIN,
Pittsburgh, Pa.

We are very grateful to you for the service rendered by your department. We look for the continuance of this service, which means so much to the city of Pittsburgh.

CHILDREN'S SERVICE BUREAU,
Pittsburgh, Pa.

Our experience with your organization, covering a period of but a few months, has been so prolific of very gratifying surprises that we can not refrain from an expression of the obligation that we feel we owe to you.

R. G. DUN & Co.,
Pittsburgh, Pa.

We take pleasure in recommending your service, as our experience has been very satisfactory with the employees furnished by you.

THE PROCTER & GAMBLE DISTRIBUTING Co.,
Pittsburgh, Pa.

Appreciating the service furnished by your department and the aid that it has been for us in obtaining efficient help, we trust that the Government will continue permanently your department.

PITTSBURGH-ERIE SAW Co.,
Pittsburgh, Pa.

We feel that such a high type of centralized noncommercial agency as yours is a progressive measure from the employer's point of view, both in theory and in practice. We believe, too, that the working out of your plan will result in the saving of time, a better understanding between employer and employee, and also will be a factor in the standardization of wages.

SPANG, CHALFONT & Co.,
Pittsburgh, Pa.

We would like very much to express to you at this time our appreciation of the services rendered the employers of Pittsburgh by your department.

INGERSOLL-RAND Co.,
Pittsburgh, Pa.

We wish to take this opportunity to thank you for the assistance which your department has been to us. We are very much pleased with the type of help which has been sent us and the care which was exercised by your department in their efforts to place each applicant in the position best suited for them.

RODNEY PIERCE OPTICAL Co.,
Pittsburgh, Pa.

I desire to thank you for the help I have received from your department.

AMERICAN WATCHMAN'S TIME DETECTOR,
Pittsburgh, Pa.

Mrs. NEALE. Now, this you may want to put into the record. These are letters from the national heads of the organizations to their State chairmen, requesting their cooperation with the United States Employment Service, both in recruiting help and recruiting positions.

The CHAIRMAN. Would you like to put them in?

Mrs. NEALE. I do not like to burden the record with material of this character, but I think it is better than to take up too much time.

The CHAIRMAN. They will be received in the record.

[Copy of letter to the members of the National Council of Women of the United States.]

ST. LOUIS, Mo., December, 1918.

DEAR MADAME PRESIDENT: It is a pleasure to recall to you the action of the National Council of Women taken at the meeting held in Washington, December 10-12, 1917, the unanimous indorsement of the recommendation to further in any possible way the employment service of the Department of Labor.

This recommendation was based upon former work during peace, with complete understanding of the difficulties during the serious demands of war.

We have now come to the consideration of even greater difficulties during this period of reconstruction, or perhaps better, the period of reorganization and readjustment.

A letter from the Assistant Director of the Employment Service places in our hands the opportunity of cooperation with the Federal director of this service in each State, the opportunity of standing back of him with public opinion, the opportunity of responding to his call for constructive criticism, the opportunity of giving intelligent thought to the community labor boards and their connection with the work of the employment bureaus.

Sincerely yours,

Mrs. PHILIP N. MOORE,
(Eva Perry Moore)

President National Council of Women.

[Copy of letter issued to every State chairman. Copy made by field division, Council of National Defense.]

WASHINGTON, D. C., November 23, 1918.

MY DEAR ———: Shortly before the signing of the armistice of November 11, when there was the prospect that it would be necessary to recruit large numbers of women for war industries, arrangements were made for the cooperation of the State divisions of the woman's committee with the United States Employment Service.

The rapid changes now taking place have altered these plans, although they make the cooperation of the State divisions of the woman's committee no less important and valuable.

It seems probable that the efforts of the Employment Service in the coming months will be directed to securing the transfer of women workers released from war industries, to the normal occupations of peace. By lending the force of public opinion to the work of the United States Employment Service, the State divisions of the woman's committee can aid in making readjustment rapid and in preventing unemployment with its attendant miseries.

The aim of the Employment Service is the greatest possible usefulness to both employers and workers, and both should be encouraged to avail themselves of its services.

An immediate task undertaken by the divisions for woman's work of the United States Employment Service is the securing for women who patriotically responded to the calls of the Federal agencies for war work in Washington, suitable positions in the States from which they came. Will you not, therefore, get in touch with the Federal Director of the United States Employment Service and with the assistant to the Federal director for women's work in your State and render them all possible assistance in this matter.

Yours, very truly,

H. J. PATTERSON,
Associate Director.

[Copy of letter to be sent all State chairmen, National League for Woman's Service.]

I am inclosing herewith copy of a letter which has been sent by the United States Employment Service to their Federal directors throughout the country.

In the November number of the League Bulletin announcement was made of the cooperation between the league and the Employment Service which conditions have changed, the possibilities for cooperation have increased rather than decreased. Will you get into touch with your Federal Director of the United States Employment Service at once and offer to him and to the woman assistant director the cooperation of the league. It may be that your cooperation may be useful in a certain type of investigating work; it may be that your greatest service will be in creating an interest in and use of the United States Employment Service, by workers and employers.

The United States Employment Service stands for service—service to the employer, service to the worker. Will you make use of this service and encourage its use whenever and however possible, by employers and employees?

To facilitate cooperation, I would suggest that you appoint a chairman of a division in the league to be called Employment Service cooperation division, this division to keep in constant contact with the Employment Service. With every best wish.

Sincerely, yours,

MAUDE WETMORE,
Chairman National League for Women's Service.

Mr. CASEY. Are those recent indorsements, or have those organizations been cooperating with the United States Employment Service heretofore?

Mrs. NEALE. These are recent indorsements, and they have been cooperating with the United States Employment Service heretofore, before the indorsements were sent in, before the war, really, and during the time it was necessary to recruit help, and when the time came when he had to change and recruit positions.

The CHAIRMAN. Are you the woman Federal director?

Mrs. NEALE. I am assistant to the director general for woman's work.

STATEMENT OF PETER J. CONLON, REPRESENTING THE NATIONAL ASSOCIATION OF MACHINISTS AND ASSISTANT TO THE PRESIDENT OF THE RAILWAY EMPLOYEES DEPARTMENT OF THE AMERICAN FEDERATION OF LABOR.

The CHAIRMAN. Please give the stenographer your name and who you represent.

Mr. CONLON. Mr. President, I am assistant to the president of the railway employees department of the American Federation of Labor, and for 24 years I have been the representative of the National Association of Machinists.

The CHAIRMAN. Where do you reside?

Mr. CONLON. In Mount Ida, Va., just across the river. For 15 years I was in charge of the general headquarters here in the city of Washington. I have had many opportunities of knowing the methods pursued by the National Metal Trades Employment Bureau.

The CHAIRMAN. And what is your official position now?

Mr. CONLON. At the present time I am assistant to the president of the railway employees department of the American Federation of Labor since the 7th of this month.

The CHAIRMAN. Well, we will be very glad to hear from you.

Mr. CONLON. From time to time we have had so many complaints with regard to the methods of the National Metal Trades Employment Bureau, and as a consequence we have come to consider their employment bureaus more in the nature of unemployment bureaus. It has been our experience, especially in the city of Cincinnati, where I was in charge of our industrial unrest there in 1915 and 1916 and prior to that time, that the applicants for work living outside of the city of Cincinnati had preference of employment. That men that were employed in the different machine tool shops of Cincinnati were not given identification cards for the purpose of going to work, the theory being that they were taking an employee away from one of their own members, and they were not adding to the number of available people for employment.

I am submitting herewith a statement for the record, a copy of their blanks, their methods of asking for identification cards, and the instructions given to all their members in the Cincinnati branch of the Metal Trades Association.

The CHAIRMAN. It will be admitted, without objection. Just hand it to the stenographer.

(The paper above referred to is printed in full in the record as follows:)

RULES OF THE LABOR BUREAU GOVERNING THE MEMBERSHIP.

HELP WANTED.

Rule No. 1. Members needing men shall promptly notify the Labor Bureau office, either by telephone or on Form No. 3.

REGISTERED APPLICANTS.

Rule No. 2. Members shall be at liberty to engage without further formality those who present written advice or an introduction card from the Labor Bureau as per following form. This applies to all employees:

Introduction card The Cincinnati Metal Trades Association.

To whomsoever it may concern.

_____, 191—.

GENTLEMEN: The bearer, Mr. _____, has made application for work. He has had _____ years' experience on _____. Last employer _____.

Yours, respectfully,

_____.

Application No. ____.

If bearer is employed, take up this ticket and return to office.

HOW TO TALK TO APPLICANTS.

Rule No. 4. Upon being handed an application, the member shall ask the applicant if he has registered his application at the employment bureau of the Cincinnati Metal Trades Association, and shall then proceed as follows:

Rule No. 5. When a member has no work an applicant who has not registered his application at the employment bureau shall be informed that it is the practice of Cincinnati manufacturers to notify that office when needing men, and that he will save himself both time and money by going there at once.

Rule No. 6. When a member has work an applicant who has not registered his application at the employment bureau shall be told that inasmuch as it is not customary for Cincinnati manufacturers to engage anyone about whom they know nothing, he had better obtain a letter of identification from his last employer.

REQUEST FOR LETTER OF IDENTIFICATION.

Rule No. 7. Members shall give a letter of identification to any present or past employee who shall ask for it.

FORM OF LETTER OF IDENTIFICATION.

Rule No. 8. All letters of identification shall be written on the letterhead of the member, and shall certify that the bearer, Mr. _____, of _____, whose signature is hereto attached, was employed by the undersigned as a _____ hand for about _____.

(Signature of man) _____.

(Signature of member) _____.

To the above the writer may add such words of recommendation as he desires.

UNREGISTERED APPLICANTS.

Rule No. 3. Every applicant not presenting written advice or the above card from the labor bureau shall be required to fill out an application blank, as per following form, before he is accorded an interview:

Application :

Register No. ____.
 Date ____, 19__.
 Name ____, Specialty ____, Address ____, Speak English ____.
 Age ____, Married ____, Nationality ____, Served ____ years apprenticeship with ____, Certificate dated ____, Total experience at trade, ____ years.
 Last places employed : Name of firm ____, Employed ____, Rate ____.
 Specialty ____, Remarks ____, Employed ____, Reporter ____,
 (Firm name) ____.

Office

ODD FELLOWS TEMPLE,

705 Elm Street,

Cincinnati, Ohio,

Telephone, Canal 2307.

For information call up office

Cincinnati, ____, 19__.

DAILY REPORT SHEET.

Please report forthwith all changes in your employees on this blank.

Men entering employment : Name. Address. Age. Married. Remarks.
Date employed.Men leaving employment : Name. Address. Class of work. Rate per hour.
Discharged, quit, or laid off.

Cause and remarks : First, second, or third class man.

Help wanted : Number of hands. Class of work. Of what experience. Will pay about what rate per hour.

Remarks. ____

Firm name ____.

Mr. CONLON. In relation to this we want to call the committee's attention to these points :

Why do they insist on a daily report?

What does the registered number of the application signify?

Why are they so interested in the last place of employment?

Why is the word "shall" so prominent in every rule?

Why do they interrogate a man and ask him to report when they have not any work?

They send him to the employment bureau whether they have work for him or not, and if they have work at the employment bureau, why do they send the applicant back again to the factory to be identified?

These are things we could never understand in regard to these rules. These plates are made from a circular that has been sent to every manufacturer in this branch.

The CHAIRMAN. Do you mean the print?

Mr. CONLON. Yes; they have been photographed, and they are the very coupons used in the city of Cincinnati, and Cincinnati is only a branch of the Metal Trades Association, and the same rules and forms are in effect in Worcester, in Chicago, in Cleveland, and in every place where they have a branch, and in New York. They not only use these employment bureaus for the purpose of keeping a tab on the men and keeping them registered, but they are often used for

the purpose of hiring gum-shoe men to go into the plant and to report things in that plant on employees for the purpose of getting a line on them, and for that purpose we will offer an affidavit of one of those men who is hired for that purpose, and the instructions of what he was to do when he was in that plant, and very often it is not what they do but what they do not do that we are accused of, because this agent or gum-shoe man has got to hold his job, and in that way many lose their employment through the instrumentality of this detective or gum-shoe man that otherwise would not do so.

The CHAIRMAN. Without objection it will be printed in the record.

(The affidavit and instructions above referred to are printed in the record in full as follows:)

For years employers of machinists in the city of Cincinnati have engaged union spies and private detectives in their endeavor to keep their employees under subjection. We have publicly charged this many times, and quite a few of the operatives are known to us, and we have tolerated them in our midst because of the fact that we know them and could watch their movements, and if we exposed them and rid ourselves of them others would take their places and it would be some time before we found them out.

About the lowest thing a human being can descend to do is to sell himself to an employer to spy upon his fellow man. Judas Iscariot was a gentleman compared to the union spy, because Judas had enough self-respect to go and hang himself after he had sold his Master and his God, but some of the modern spies and traitors seem to glory in their perfidy and thrive on blood money.

What manner of a man is it that holds up his right hand and gives his solemn pledge never to harm an associate or allow him to be harmed and then turns around and seeks for a price to do the thing which he has sworn on his honor as a man never to do. "Honor"! Why, the devil smiles when he hears the word spoken by such a character. He is a moral leper and unclean in any society—even that of the brute creation.

Such a man would sell his mother for a price. Degeneracy is in his blood and he can trace his ancestry back to Benedict Arnold.

But Judas Iscariot never stopped the growth of Christianity; neither did Benedict Arnold's perfidy stop the growth of American freedom; nor will the efforts of the metal trades' spy stop the advance of industrial emancipation. How can employers trust such human beings or encourage their pursuit? Are they not aware that "a dog that carries will bring a bone"? And if any evidence of it is desired come to our office and we will give you a wastebasket full of reports from metal trades' spies sent to us by conscience-stricken operatives.

We have given enough information in our circulars and open meetings to convince the most skeptical employer in Cincinnati that we were getting our information from inside sources. Why, then, continue such a practice that is making trouble and ill-will among the employees?

It is not what we do that gets us into trouble with the average employer, but it is what we do not do that makes the fuss. These detective agencies have got to scare some one and sensational reports are desirable, as it means a continuance of the client's patronage, and if there is no business to report they will see to it that a report is framed up to suit the emergency and in some instances go so far as to instruct their own operatives to start something. Thus many a client gets what he paid to avoid.

Detectives are not needed in time of peace. They thrive on trouble. Therefore does anyone anticipate they are going to narrow their opportunity on a livelihood. Employers are playing with fire when they employ methods of this kind.

Now, I suppose many will still doubt the existence of Metal Trades' spies in Cincinnati machine shops, and in order to convince our readers that we know what we are talking about we will here append a few rules and regulations they are supposed to work under. Look around your shop and make a note of the fellow who is always seeking a conversation and a good fellow with his money, and keep your eye on him. We have many such cases on file at this office, but this one will suffice to give you the necessary information as to their practices.

STATE OF OHIO,

County of Hamilton, ss:

Now comes John Doyle, business agent of the International Association of Machinists of Cincinnati and Vicinity, and, being first duly sworn, on oath, deposes and says:

That on the evening of March 4, 1916, Mr. A. F. Hilton, of 119 West Ninth Street, Cincinnati, Ohio, came to my office and informed me that he had been employed in Cleveland, Ohio, at rooms 410 and 412, Chamber of Commerce Building, occupied by the Corporation Auxiliary Co., and sent to their Cincinnati representatives, the Star Employment Bureau, of Cincinnati, Ohio, and that he was directed to report to the Weir Frog Co., of Norwood, in the capacity of a detective, as well as a workman, and that he was given Bulletin No. 23, of instructions, and Bulletin No. 43, giving details as to how to conduct the work and make reports, copies of which are hereby appended.

Mr. Hilton, upon learning the nature of his duties, refused to accept such employment, and voluntarily turned over to me the documents hereto attached, copies of which I have also obtained from other sources.

Further deponent saith not.

JOHN DOYLE.

Sworn to before me and subscribed in my presence this 11th day of March, A. D. 1916.

JOHN THORNDYKE,
Notary Public, Hamilton County, Ohio.

BULLETIN No. 23.—A FEW SUGGESTIONS FOR MAKING A GENERAL CHECK OF CONDITIONS IN A LARGE PLANT.

1. Are the employees sober and industrious? Do they work steadily throughout the day, or do they arrive late, loiter about while at work, and prepare to leave the shop before the whistle blows? Is there a good feeling among the employees toward the company? If not, state why, and who the dissatisfied ones are.

2. What percentage of the men are members of labor organizations, and of what union are they members? Are there any cranks or agitators on the labor question? If so, who are they and what are their grievances?

3. Are there any particularly good men who are worth being advanced to a higher position? Are the superintendent, assistant superintendent, foreman, and assistant foreman all competent men, and is there a good feeling among them, and are they working in harmony with one another? If not, state where the friction exists and who are, in your opinion, at fault. Do they look after their men as they should and give each man a fair chance or do they show favoritism to certain ones, to the detriment of the others?

4. Is there a good system throughout the shop? Are the methods, materials, machinery, and general equipment as modern and up to date as they should be to get the best results? In this connection a report can be made on the time-keeping system, the stock room, and the tool-checking systems, the care of the shafting and machinery, precautions taken to prevent accidents, the general sanitary conditions, and numerous things on which suggestions for improvements can often be made.

5. Are the machines all running to their fullest capacity, and is the quality of the product good or bad? Are any machines being injured through carelessness, injuring tools or materials?

6. Is there stealing of any kind going on in the shop, either of tools, material, or finished products?

7. Is there any department so far behind in their work that they are delaying other departments?

8. Are high-class men being used on work that could be done by helpers, or are helpers allowed to spoil high-class work?

9. Are intoxicating liquors being carried into the plant or any of the men under the influence of liquor while at work?

10. Do the men smoke, in violation of the rules, or are the fire and insurance regulations being broken by the careless handling of oils, gasoline, or other inflammable materials?

BULLETIN No. 43—DETAILS OF WRITING REPORTS.

1. *Daily reports.*—Write a separate report for each and every day's work. If you are prevented by something beyond your control from writing your report at the end of the day's work, write it on the next day or at your next opportunity, covering one day only in each report and making separate and distinct reports for all days. We contract with our clients to submit daily reports, and therefore we must carry out our contract, and can only do so when each and every operative submits these daily reports.

These reports should be submitted as promptly as possible. This is a very important item, because at the best the reports, upon reaching our client, are three or four days old. However, if you are prevented through some unusual circumstances from writing your report for two succeeding days, write a note at least explaining your inability to write a report and forward it to this office.

If you are working in a plant, there may be days when you will be idle because of illness, closing down of the plant, or some other reason beyond your control. On these days, in order to secure credit for the time put in, it is necessary to submit a report. This can be done in the vast majority of cases by meeting some of the employees of the plant and discussing shop affairs with them.

Ordinarily you are not expected to submit a report on Sundays or holidays unless you are working, but if anything of importance comes to your attention on these days, submit a report covering it, and this will be taken into consideration at the end of the month, and you may possibly be allowed credit for some days when you have been forced to be idle because of illness or something of that nature.

2. *Heading in reports.*—We have adopted a uniform system of heading in reports which we find is most satisfactory, because it does away to a great extent with the possibility of misdating reports. Quite frequently one is liable to be misinformed as to the date on which one writes, or to make an error in the matter, but as a rule there is no question in one's mind as to the name of the day covered by the report. Therefore, kindly head in your reports with the name of the day as well as the date, and in the upper left-hand corner place your own code initials.

In this way upon opening a report the reader can tell at once from whom the report comes, and the day and date covered by the report. It is not necessary to address your reports to any one of the superintendents as one would address a letter, nor is it necessary to put the name of the town in which you are working, and, in fact, it is well to leave both of these items off the report submitter. Under the heading on No. 3 you will find a report started, illustrating our standard way of heading in reports.

A few of our operatives are employed at night; that is, any one consecutive period of work covers a portion of two days. For instance, you may start to work at 6 p. m. on Monday, the 17th, and work until 6 a. m. on Tuesday the 18th. Such a report should be double dated; that is, the above report should be dated: "Monday, July 17, and Tuesday, July 18, 1912." The succeeding report should be dated: "Tuesday, July 18, and Wednesday, July 19, 1912."

3. *Working time.*—We have had at times questions arise as to the actual time put in at work at plants by our various operatives. We have therefore adopted the plan of having the man state in the first paragraph of his report what time he started to work in the morning—giving the exact time that he rang in, if he does "punch a clock"—the time he quit at noon, the time he started to work at noon, and the time he quit in the evening. This should be at the beginning of every report; that is, in the first paragraph directly under the heading. In case a man does not work and is expected to work, he should explain in this first paragraph that he did not report for work and state briefly the reasons.

The first of the record, including the heading and statement of time, would then look somewhat as follows for operative No. A-26:

"A-26. Thursday, July 17, 1913. I reported for work to-day at 6.23 a. m., rang out at 11.31 a. m., rang in at 11.52 a. m., and rang out at 5.05 p. m."

In case of overtime work being put in the time of starting and quitting should be shown immediately following the above statements.

In case you do not work at a plant, state at the head of the report, in place of the above itemization, why you are idle.

4. *Stationery.*—The operative can use pencil or pen, according to his own judgment, and use any kind of stationery he may have at hand, but it is preferable to use thin paper and write on one side only.

5. *Quotations.*—A great deal of information can be conveyed to our clients through the medium of reporting statements and conversations made in your hearing, either to you or some one else, which concerns the business of the client. It is, as you doubtless well realize, very hard for any man to convey to another an exact understanding of any ideas he may have in his mind. For instance, you may say that a thing is green or any one of the many, many shades of green, and one would have a great deal of difficulty in conveying to another his exact understanding of any color he had seen which the other had not seen. It is the same with other ideas. For instance, if a man makes a statement to an operative and the operative transposes it into his own words and the client reads it and understands it in a different way from the assistant superintendent, to some extent the original understanding which the client gets is likely too much different from that of the man who originally made the statement. Therefore for the sake of clearness and accuracy it is best to repeat and quote the exact words of anyone who makes statements to you concerning the client's business. Sometimes, of course, the conversation may be of so little importance that part of them can be summed up in a general way in your own words and time and space saved, but usually the best procedure is to quote or repeat in your reports the exact statement which was made and your reply as well. The handiest way to do this is to follow the style of printed copies of plays; that is, instead of saying:

"John Smith said that he was sick this morning."

(Smith.) "I feel like h—— this morning."

(A 26.) "What's the trouble with you?"

(Smith.) "I was out late last night and drank too much cheap whisky."

Of course, where you are already describing some condition which is no part of the conversation it is not necessary to put any initials of any kind at the left of the page.

6. *Expense vouchers.*—Expenses are allowed when you spend money for the purpose of getting information for your reports; that is, the expenses usually constitute such items as drinks and cigars with your fellow employees, or with men from whom you wish to get information, and for union dues and expenditures of that kind. When you spend any money which is chargeable to this office, be sure to mention this in your report, whether you get any information or not, and the expense vouchers covering these expenditures should then be made out for each day according to the inclosed sample, showing the date, the place the money was spent, and for what and with whom each expenditure was made. Amounts of the individual items should then be totaled up, giving the total for each separate day, and not for a number of days. These expense vouchers are provided upon request, and one should be sent in promptly every day an expenditure is made which is chargeable to us.

The amount of expenses allowed vary with different operations. Each operative, however, will be given some idea of what will constitute a reasonable expense on this particular operation, and as stated in your contract, these expenses are chargeable to us only when incurred at our instructions, and we reserve the right to blue-pencil any other expenses which seem unjustifiable and exorbitant, but such an action will not be taken under ordinary circumstances, if an operative remains within reasonable limits.

7. *Pay slips and pay envelopes.*—A report for all money received by you from the client in the way of wages which you earn in his plant it sent in on one of the time and pay slips, a sample of which is attached on the same that the money is received. You will note that there is a space on the pay and time slips to account for all the time for which the particular money pays you. Pay envelopes must be inclosed with the pay and time slips after the money has been removed. As you will notice, there are columns for regular time, over-time and Sunday and holiday work. These columns should be totaled up individually.

8. *Letters and reports.*—There are two separate and distinct kinds of correspondence which you will send to the home office. The first will be your daily reports, which will contain all information concerning the client directly—that is, information should be incorporated in the reports which we send him. The second kind of correspondence will be letters in reply to letters you have received from this office and letters which originate with you concerning the business of this company alone, such as requests for remittances, explanations

of your personal affairs, information for the assistant superintendents to assist them in better understanding the conditions prevailing in the plant in which you work, so that they may revise the record more intelligently, and matters of that kind.

Again, it is desirable, because at times these reports can not be dictated promptly and are not read over until they are dictated by one of the assistant superintendents, and, therefore, matters requiring immediate attention are unknowingly delayed by the assistant superintendents who receive your reports. However, if these matters are taken up on a separate sheet of paper, entirely from the report, and addressed to the assistant superintendent in the form of a letter, he will see it immediately and give it his prompt attention.

9. *Receipts and statements.*—Receipts and statements included with money forwarded to you should be signed with your full name and returned promptly to this office in case they are satisfactory. If not, a letter should be written promptly, on a separate sheet of paper, to this office setting forth wherein this statement may not be correct, so that the error can be rectified immediately.

10. *Remittances.*—Our statements are made up each month and go forward between the 15th and 20th of the month following. It is impossible to get them out any earlier, due to the fact that in the majority of shops about a week's pay is usually held back, and, therefore, in order not to financially embarrass any of our operatives we have made arrangements to forward them money at their request when same is due them.

Some of these things may seem trifling, and you may prefer to do it in some other way, but the system, as outlined above, is a combination of the best in the experience of all the men connected with this office and each separate item is the result of the elimination of many other less satisfactory plans.

I might explain that our business has become so large within the last year that it has been necessary for us to adopt a standard plan for the use of all operatives, and your careful attention to the above details is very necessary and will be thoroughly appreciated.

BULLETIN No. 40—HOW TO WRITE REPORTS.

First. State the time that you start to work in the morning and state how you go to work, and state whom you saw on your way to work if they are working in the plant where you are. State what you say to these people and what they say to you, and give their names. If you do not know their names, give their nicknames. If you do not know their nicknames, give a description of them, so we can tell what they look like; tell us where they work, if you know, and all the conversations you have with them.

Second. Give the time you get to the store or shop and what is going on when you get there. State whether all the men are on time. If there are only a few there, give their names. State whether any of the men are coming late. State particularly whether any of the foremen are there, and the other officials, and what the men are doing. Mix with the men who are there as much as possible, and report what you talked about and what they say to you and what you say to them.

Third. State when you actually go to work, in what department you are working, and what you are doing; then state to whom you talked during the morning and what you do in the shop during the morning. In giving conversations always give the name of the man, or if the men go by numbers, give the man's number, or if you do not know his name or number describe the man, as to whether he is old or young, tall or short, plain faced or heavily bearded, and describe what work he is doing, and then tell what you say to him what he says to you, and then tell whether he loafs around. In this way we want you to talk to and describe every man in the shop.

Fourth. Keep on telling what you did all morning, describing the men you talked to, what they say to you, and what you say to them. Tell their names, and if you do not know their names give their numbers and describe them in some way so that we can know whom you are talking to.

Fifth. State the time you quit for lunch and where you eat your lunch. Tell whom you eat your lunch with, if anyone, and where you eat it; and if you have a conversation at lunch describe whom you had conversation with and what he said and what you said, and in all these conversations try to talk about the work, so as to find out how each man feels about the foreman, the superintendent, the company, and, in fact, everyone else in authority.

Sixth. Report on the time you get back to work after dinner, what the conditions are when you get in, who is at work, if anyone, and what they are doing.

Seventh. Then describe to whom you talked and what you were doing during the afternoon, what the men say to you, and what you say to them, and then your reply to that, and their reply, and so on. Give the entire conversation as near as you can remember, and in this way keep on telling what you did all the afternoon, and what you do and what you say, and what you hear and what you see.

Eighth. Then tell the time you quit work in the evening and whether you walked home or rode home, and if you met any of the men on the way. If you did, tell their names, what you said to them, and what they say to you until finally you get to your boarding house.

Ninth. Then, if you spent any time in the evening visiting, state what you said, what they said, and give the full particulars, and also state what time in the evening it was, and all that sort of thing.

We want you to keep the closest watch concerning anything that will tend to increase the economy of operation there and that will tend to decrease the expenses and will tend to increase the product.

Then if you want to tell us how things are going along and want any advice or suggestions or want to give us a general idea as to how things are going on and what you think of the conditions there, and all that sort of thing, you should give us that on a separate sheet of paper entirely, so as not to mix the report with the letter. Of course, you can mail the report and the letter in the same envelope, but they should be on a separate sheet of paper, so when we get them in here we can separate them and give the report and the letter to different people. A report never needs an answer, but, of course, we frequently have to answer letters.

If you find there are too many day workers employed on a job, we want you to explain just exactly what you see, so that we will be able to handle the situation in an intelligent manner. It will be necessary for you to get a room by yourself, so that you can write these reports without any difficulty.

After you have gotten to work you want to find out when the union meets, if there is a union, and where they meet; then maybe we will have you arrange to attend their meeting, so that we can see just what is going on and be able to report whether any of the men where you are to work are members of the union. Be sure to report whether any agitation is going on in town anywhere.

Bear in mind until you get to work that we must also have reports every day, stating exactly what you are doing from the time you start out in the morning until you get back at night, giving the name of everybody you talk to and the fullest particulars of the conversations. This applies to the foreman when you apply for a job, to the union, the men you meet, or any one else. These reports must be sent in every night, whether you are at work or not, in order to receive credit for the day.

DISCONTENTED EMPLOYEES.

You will find, as you operate through the various plants, employees who have an ill-feeling toward the management in general or the president of the company or the superintendent, or the assistant superintendent, or the foreman, or the porter, or the shipping clerk, or the receiving clerk, or the inspector; in fact, even towards their fellow employees. Sometimes you will find that some of the men are habitually complaining and have no real or just cause for complaint, and at times you will also find that the foreman or their officials have "pets" who, it is said, have "pulls." This has often caused jealousy among employees. Sometimes you will find that discrimination is being shown and that the men who "nurse" the foreman generally gets the best of the work and is allowed to do almost as he pleases. Then, again, you will find real and just cause for discontent; that is, the client may make a certain move or place certain rules in effect that in reality work hardships on the men and are of no benefit to the client, and this often reduces the amount of their work in a great measure and causes them to lose their ambition and go at their work in a slipshod manner. It is unnecessary to tell you all of the causes of discontent existing among employees. For instance, I will quote you part of a report bearing on discontented employees.

"At 10.15 a. m., while I was in department D, I entered into conversation with Jim Hix, who, during the course of our conversation, told me that Foreman Stone expects everybody to give him a chew every time he asks for one, and Hix said that he has never known Stone to buy any tobacco. I went into the subject further with Hix and summed up. This is what I found to be the trouble: Stone proves to be a very miserly sort of a man who always expects to get a great deal for nothing from his men, and to those who will give him a

chew or a drink and to his favorites he will give the best piece of work, so that they will earn the most money. I also understand that Stone always gave Wilson permission to lay off any time he asked just because Wilson shared his beer with Stone during the dinner hour."

Now, we will suppose next that this report was received by the client. The client would read it and in the course of a week or so Mr. Stone would receive his dismissal, and in his place would come a man who showed no partiality and treats all fairly. The result of this would be that the men would grow enthusiastic, knowing that they would be treated fairly, and they would work harder and more conscientiously and industriously and energetically, and consequently produce greater and far better results, thus improving the output of the client's plant, both from the quality and the quantity standpoint. You can see from the explanation that a little thing of this nature needs to be reported to the client, so I am using this as an illustration. Always remember that when you find a discontented employe, find the exact cause of his discontent and how long the cause has existed; what originated the cause, and what the employe suggests as a means to remedy the trouble; and also state in your report what effect is being brought about by the present discontent that is existing and see if you can suggest any improvement or remedy.

It is also a good plan to take the other side of the question, and when you find a man talking discontentedly or finding fault unnecessarily or looking on the dark side of everything, you should take the opposite point of view and convince the man that a whole lot of others are worse off than he is, and that a whole lot of shops are a great deal worse than the one he is working in.

Well, where do you fellows who feel so important as an individual fit on this proposition? Suppose the fly cop turns you in for some idle remark, what redress have you got? Do you think your employer is going to uncover the source of his information and let you face your accuser? Certainly not. You are going to walk the gang-plank and you won't know what hit you.

These are things we are organized to abolish and will keep on protesting about until they are remedied. We have pleaded with you to join us and help us put an end to this sort of a thing. In your blind wisdom you have listened to the boss to keep away from us—the same boss who has a private detective watching you, waiting for an opportunity to soak you on the slightest pretext. Now, what are you going to do about it? Are you going to continue, by your indifference, to encourage these obnoxious systems, or are you going to be a man among men and stand up for your rights.

You are invited to visit our headquarters at 919 Main Street any time.

Initiations every Saturday afternoon on the even hour. Initiation fee, \$2; reinstatement fee, \$3. For further particulars call upon or write,

JOHN DOYLE, *Business Agent,*
919 Main Street, Cincinnati, Ohio.

Mr. CONLON. Now, the machinists of Cincinnati make no bones of this bureau being a blacklisting agency. They have printed—

The CHAIRMAN. To what do you refer when you say it is a blacklisting agency?

Mr. CONLON. The Cincinnati Metal Trades Central Employment Bureau, at 705 Elm Street, Cincinnati.

The CHAIRMAN. You are not referring to the United States Employment Service, but you are referring to the bureau run by the metal-trades association?

Mr. CONLON. I am referring to the bureau run by the metal-trades association. They have printed these bulletins to the extent of 5,000 copies, and they have handed them to the officers of the Cincinnati Metal Trades Association, Mr. Fred Guyer, the president, and Mr. Manley, director, and they have been challenged to sue them for libel if they are not correct. I do not care to offer this, but I will read extracts from it:

The employers of machinists in Cincinnati for a period of 15 years have dominated and done their utmost to crush out the spirit of independence among their employees by a scientific blacklist, operated under the guise of a central employment bureau at 705 Elm Street.

For years the average Cincinnati machinist could hardly say that his soul was his own, so merciless was this combination of employers in their collective treatment of their men: any man who had the nerve to rebel was rewarded by being discharged and hounded like an escaped convict, and either starved into servile submission or driven from the Queen City; either that or change his Christian name for an assumed one, and, like a hunted felon, work where he could until again discovered and discharged.

The CHAIRMAN. Are you a Government employee, Mr. Conlon?

Mr. CONLON. No; I am working for the American Federation of Labor.

The result of this Employment Bureau has been that the machinists of Cincinnati have flooded that Employment Bureau with fictitious names until to-day there is on record in the file of that Employment Bureau twice the number of machinists that are actually living in the city of Cincinnati. They have made a study of it, and that is the only way they could obtain employment, and it is no offense in a machine shop in Cincinnati, in order to try to get a job through this Central Employment Bureau, and it is the only means that the men engaged in the machine-tool industry have got to depend upon to secure employment.

The CHAIRMAN. Is the Metal Trades Association a member, or is it connected in any way with the employers' and manufacturers' associations, as represented here the other day by Mr. Emery?

Mr. CONLON. Mr. Emery speaks for the National Metal Trades Association, as well as for the National Association of Manufacturers. The National Manufacturers' Association is a national organization—the National Metal Trades Association is a national organization like the National Manufacturers' Association, and they have branches in all the large cities and industrial centers.

Mr. EVANS. What is the wage for the machinists in Cincinnati at the present time and for the past five years—what was it five years ago?

Mr. CONLON. Five years ago the average wage for the machinist in Cincinnati would be 27½ cents an hour; now it is somewhere around 54 cents an hour at the present time in the machine-tool industry and 68 cents an hour in the railroad shops.

Mr. EVANS. And what are the conditions with reference to buildings, sanitation, and the tools, both as to safety and lighting and heating?

Mr. CONLON. The machine-tool shops in Cincinnati are sanitary and well lighted, and the conditions of employment are not bad. They have no objections to the conditions under which they work in Cincinnati, but the method of securing employment, of handling the unemployment.

Mr. EVANS. And what has been the average hour per week that the ordinary machinist has been able to make in Cincinnati under these conditions?

Mr. CONLON. Up until 1915 and 1916, they worked what was known as the 54-hour week—

Mr. EVANS. I see that I have not made myself clear. What I want to know is as to the number of machinists that have been able to work for that time, how many have been unemployed?

Mr. CONLON. I would judge about 60 per cent. There has been a floating population in Cincinnati, notoriously so in the shops around

there, on account of the number of machine tool shops, and the work being highly specialized and not requiring a high grade of skill. I would say about 60 per cent.

Mr. EVANS. And how does that compare with such places as Pittsburgh, Youngstown, Cleveland, Columbus, Indianapolis, and Dayton, as to people working in the same class of work?

Mr. CONLON. Well, I would say that there is a larger number around Cincinnati than there is in Pittsburgh, Youngstown, Cleveland, Indianapolis, Columbus, and those other places, it is estimated that there is.

Mr. EVANS. But you do not have any knowledge of that—

Mr. CONLON. I do have knowledge of Pittsburgh, because I was there in the months of January and February of this year.

Mr. CARSS. Has there been any increase in wages—I notice that there has been of nearly 100 per cent?

Mr. CONLON. Yes, sir.

Mr. CARSS. And do you believe that that increase of wages of nearly 100 per cent, that with it the men are able to live in as good houses and to have as much good food as they had five years ago under the old rate of wages?

Mr. CONLON. No; I do not. They are just simply trying to keep up with the procession.

Mr. CARSS. And the purchasing power of the money that these men get, do you think it is as great as the wages they received five years ago?

Mr. CONLON. No; I regard that labor, that labor is cheap, that they get more money, but it does not go as far as the wages which they were getting five years ago.

Mr. CARSS. And really, with this increase in wages, they are not as well off as they were under the old wage?

Mr. CONLON. No.

STATEMENT OF MISS LOUISE McMASTER, EMPLOYMENT SECRETARY OF THE NATIONAL BOARD OF THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION.

The CHAIRMAN. What is your name?

Miss McMASTER. Miss Louise McMaster.

The CHAIRMAN. And what is your residence?

Miss McMASTER. New York City.

The CHAIRMAN. What is your official position now?

Miss McMASTER. I am the employment secretary of the National Board of Young Women's Christian Association.

The CHAIRMAN. With offices here in this city?

Miss McMASTER. 600 Lexington Avenue, New York City.

The CHAIRMAN. We will be pleased to hear from you, Miss McMaster?

Miss McMASTER. I would like to say in the beginning that I hold no brief from the National Young Women's Christian Association and would like to speak as a private individual, interested in employment work, not only as a placement secretary of years of experience but as an executive handling the important work of the National Board for the last six months.

The CHAIRMAN. And your association is interested in finding work for unemployed?

Miss McMASTER. They have carried on until the Federal Employment Service came into the field, and our work was with the Federal Employment Service, which had carried the only nation-wide organization for finding employment for women. I am not commenting on the efficiency with which that service has been rendered or condemning it.

The CHAIRMAN. And did this displace your service?

Miss McMASTER. It has in a great many cases. When the United States Employment Service was put in the local cities, the Young Women's Christian Association gave over its work to the employment service. In some instances our workers were taken by the service. In a few instances the Young Women's Christian Association continued its employment work. In some cities the work was done on a cooperative basis, and the Young Women's Christian Association provided workers to do certain service which the director, local director, felt was valuable, and which within the limits of the United States Employment Service could not be rendered. In the last few months I think we have shown an unusual sympathy in that we have been willing to stand back of the local organizations financially through the curtailment of the appropriation.

I have been interested in what I have heard of the advisability or the wisdom or the non-wisdom of establishing here a central clearing house for the employment service. I wonder just what that term "clearing house" signifies. It is capable of rather wide interpretation. It has been my privilege in connection with my work to visit employment offices in various parts of the country in the last six months, and while I was out primarily to see what was being done in connection with my own organization, I have always visited the offices of the United States Employment Services in the various cities, and it has been very interesting to me to see just what important functions these local offices have filled, and I would hate most decidedly to see any possibility of a general employment service which should embody local branches done away with. It seems that the central supervision, in order to provide standards, is most essential. If the work is left entirely to the States, with the State organizations so uneven and so unequal, as they must of necessity be, it seems to me that the perfectly running development of the work will suffer decidedly.

I am interested in the employment service from the constructive end. I regard it as a preventive of unemployment, and we can only be assured of that, I think, by having well-developed standard offices which shall be administered according to certain policies.

The CHAIRMAN. And they would furnish a place where they could go and find out about opportunities they could not have in any other way?

Miss McMASTER. If they did not have this opportunity. I think the possibilities for development through a bill for an employment service are almost unlimited. It seems to me that we should not put too much emphasis on the failures of the last two years, if the offices have been guilty of such. The point for us to decide is whether the employment service is a desirable thing, and not to look at the work-

ings of the office during the past two years or of the service as an ideal development.

The CHAIRMAN. I think you are right.

Miss McMASTER. If we had done the job perfectly well, there would be no incentive in striving to see how much better we could do it. It seems to me that we have no right to judge too harshly of the local mistakes or the administrative mistakes of the service of the last two years, when we think of the perfectly huge job hurled at the Employment Service during the period of the war.

Mr. CASEY. In your travels throughout the country and in your visits to the different employment services, is it your judgment that we should or should not have some standard; and if so, how could that be accomplished without Federal supervision?

Miss McMASTER. I believe that we should have standards, and I do not see how it can be accomplished without Federal supervision. I believe that the standards should be far-reaching, and as they affect the State bureaus, they can only progress so far as the State's social legislation progresses.

Mr. MURPHY. Then you think that the Federal labor bureau would be beneficial to women?

Miss McMASTER. Yes, decidedly; I think it would be. It must be handled somewhat differently than it would be handled for the men. You can not expect to move the women in large numbers. It could be a means of moving woman's labor from one place to another; at critical periods that might be accomplished. I was in California, and I talked with the members of the State Industrial Commission there, and they thought that was a point that needed to be developed with the service in the State of California, with the seasonal "following the fruit," as they expressed it; and there was great necessity for some standard for some plan of moving those people from place to place, so that, as one of the men expressed it, a "group of labor would not arrive at a lane and see a sign, 'Turn down here,' and such and such a camp, after that camp was closed."

Mr. EVANS. From your experience, Miss McMasters, and from the information you have gathered in your inspection, what suggestion would you make for the improvement of the service as it has been run in the last two years?

Miss McMASTER. Well, that is rather a large question.

Mr. EVANS. I know it is; but I think this is an opportunity to get something from some one who is an authority.

Miss McMASTER. As you readily understand, it is perfectly obvious, I think, I am interested in the woman's end.

Mr. EVANS. But we value your opinion, both as to the subject generally or as to special branches, and have in mind the change of control from one bureau or department to another, if you think that is material.

Miss McMASTER. I believe that the employment service should have a policy of operation which would be in effect throughout the country, that in general each office would know what policy it was supposed to follow in order to conform to the requirements of the service. I have found frequently in different States an entirely different conception of what their job might be, I have felt, in talking with different representatives, that they were, in a sense, defeating the end for which they were striving through their lack of under-

standing—of misinterpretation of what they could have accomplished within the limits of the service. I know it is rather a delicate question to bring up in this connection, the question of standards, of labor standards, but it seems to me that an employment service, as it affects men as well as women, must stand for certain decent standards of employment, working hours, conditions and wages, and it seems to me that it is perfectly possible for it to do that without in any way being tied to or committed to either the American Federation of Labor or the Manufacturers Association.

Mr. MURPHY. Are you at this time connected in any way with any organization of any kind outside of the Young Women's Christian Association?

Miss McMASTER. No, sir; I am not. I feel that that is a point on which, where the service has fallen down, that it has not been able to stand that of standards of placements, because there were no legislative standards, and you can always go up against an irate employer if you can not give him the person he thinks he must have under the conditions he wishes to receive her. The private organization has an advantage there, in that they can say that as an organization they are not willing to place the people under such conditions. I think it is perfectly possible in a perfectly friendly way to bring an employer around to the point of view which you know and which he knows he should hold. I have seen it worked out repeatedly in my own organization with employers who were opposed to certain standards and policies, and they very soon came around and asked me how it might be adapted and worked out in their own establishments. I believe in open diplomacy in connection with this work. It is largely a matter of understanding both sides and letting both sides know you are perfectly fair in administering the work.

**STATEMENT OF JOHN B. DENSMORE, DIRECTOR GENERAL,
UNITED STATES EMPLOYMENT SERVICE.**

Mr. DENSMORE. I want to say for this record that no officer, including myself, that I know of, has known anything about the organization that Mrs. Gould represents. The employment service has no knowledge of any kind, or the Department of Labor that I know of, of the organization that Mrs. Gould represents.

The CHAIRMAN. It was not brought to your attention?

Mr. DENSMORE. And we consequently could exercise no influence one way or the other as to whether her organization could exist—

Mrs. GOULD (interrupting). You knew enough about it to see that the Government stopped it.

Mr. DENSMORE. I never heard of it in my life before, and I do not think that any officer of my service ever heard of it before.

Mrs. GOULD. Mrs. Neale asked me to come up and be interviewed, and I refused.

Mr. DENSMORE. If any officer of this service has made any remarks or observations such as have been attributed to them by Mrs. Gould, I wish to officially apologize for them, because none of us knew that such an organization was in existence.

Mrs. GOULD. But——

Mr. CASEY. Can we not go along in an orderly fashion?

Mr. DENSMORE. Now, Mr. Chairman, reference was made to Mr. Burningham, to the effect that he was recruiting men and would recruit only union workmen to go to the coast, and made no distinction between Seattle and the coast. I want the record to show that this particular man who was mentioned was only recruiting and only authorized to recruit labor for Seattle, Wash., and no place else.

Mr. CASEY. How do you establish that fact?

Mr. DENSMORE. I establish that because Mr. Burningham was connected with the Seattle office only. He was recruiting for that office only.

Mr. CASEY. And those he recruited, his recruits, were limited to that office.

Mr. DENSMORE. Limited to that office and not to Los Angeles or San Diego, or Portland or San Francisco, or any other place.

The CHAIRMAN. You said something about the amount of money that was going to be asked for; will you speak about that now?

Mr. DENSMORE. I would, but I think that it would take more time than you now have available.

The CHAIRMAN. We would like to have you file a statement showing the lowest amount of money you think the bureau could be run with.

Mr. DENSMORE. I feel that that is in the judgment of the committee. I will file you a basis on which you must exercise your judgment.

Mr. MURPHY. The statement just made with reference to the gentleman from Seattle recruiting labor outside of the State for somewhere else brings a thought which might be possible, or would it be possible, for one part of the country under the influence from some place or some quarters to work for some particular part of the country or some particular set of employers to their advantage and to the disadvantage of employers, say, in some other part of the country—could that condition come about by reason of the officials who might, by reason of political influence of some kind, do the thing which would benefit one section of the country as against the other section of the country?

Mr. DENSMORE. I never have seen anything like that.

Mr. MURPHY. I recollect the other day a statement was made that 64,000 mechanics were taken out of Michigan——

Mr. DENSMORE. No; not Michigan. That was all over the country.

Mr. MURPHY. All over the country. I got the idea that it was Michigan, and it struck me then that there was a danger, unless we could safeguard that feature of it.

Mr. DENSMORE. That was the case of these recruiters going into the various States and urging the mechanics to get out of the nonessential employment and into the essential employment. They went first to the Federal director of that State, and they worked under him, and the Federal director of that State was instructed to protect the war industries in that State and to see that no particular industry would suffer by it. That was one of the features of the exclusive recruiting program that the Government adopted.

Mr. EVANS. I have not heard all of the evidence, nor have I had an opportunity to read it all. What are the facts with reference to any instruction being given, either one way or the other, with reference to persons in charge of local bureaus, as to political activity, in places where they had been instrumental in securing positions for persons who applied to them?

Mr. DENSMORE. Of course, the general instructions to all employees have been that there should be no political activity whatever. That was quite thoroughly understood.

Mr. EVANS. Have you a copy of that order in the evidence at all?

Mr. DENSMORE. I do not think so.

Mr. EVANS. Could you get one and put it in?

Mr. DENSMORE. If we have such an order. This was fundamental. I do not know whether there was any order issued, but all these employees were under the rules and laws of the United States Civil Service.

Mr. EVANS. The reason I ask, I know they were extremely active in my State at the polls, and I wished to know what the department's order was?

Mr. DENSMORE. I will be very glad, if there is such an order, to put it in. Any cases like that which have been brought to our attention have been handled as they should be handled, of course, with reprimands or any necessary punishment, as soon as the matter was called to our attention.

Mr. EVANS. You understand that if you secure a position for a man you are on his "near" side.

Mr. DENSMORE. Well, positions were secured for about six and a half million.

Mr. EVANS. Then you are on their near side, and a person who would then attempt to use his influence would have an undue and improper advantage.

Mr. DENSMORE. Well, I should like to think they were all favorably disposed toward us for service rendered, but I am afraid they are not all. There were three States where the Federation of Labor printed protests against the United States Employment Service, and I venture to say we have in our files an equal number of protests from local unions to State officers of organized labor, from local unions and State officers of organized labor, and we have complaints from manufacturers. I think, perhaps, we have more from unions than we have from manufacturers complaints from operation of the service. Now, there is a significant little thing that I want to bring the committee's attention to in regard to Mr. Emery's testimony. He was here last week. The propaganda referred to by Mr. Casey has been going on among the National Metal Trades Association and the National Manufacturers Association and the National Farmers Association, and in various ways all federations like this, which is the National Metal Trades Association, and through a publication called Industry, which was begun here in Washington some time in January for the express purpose of destroying the United States Employment Service. They have charged all of these months since last year that the United States Employment Service was extravagant, that it was for union labor, that it was inefficient. Let me read

what Mr. Emery writes this month. It is from James A. Emery, of Washington.

The CHAIRMAN. What is the date of that, please?

Mr. DENSMORE. This is dated July 15.

The CHAIRMAN. What does it purport to be?

Mr. DENSMORE. This is a letter from Mr. Emery.

The CHAIRMAN. To whom?

Mr. DENSMORE. To the Metal Trades Association.

The CHAIRMAN. Oh, yes.

Mr. DENSMORE. In July, after he had made all these charges, he writes to the Metal Trades Association.

Mr. CASEY. July, 1919?

Mr. DENSMORE. Yes, sir. Referring to the Kenyon-Nolan bill he writes:

This measure has been the subject of public hearings before a joint committee consisting of a Committee on Education of the Senate and Committee on Labor of the House. These hearings are adjourned until July 8, when they will continue. I trust you will make it a point to inquire at once as to what testimony can be produced by any of your members with respect to the actual operation of the service, indicating its incompetency or any discrimination that has been practiced. If you can secure any such testimony and know of any good witnesses to be produced, will you see that I get a memorandum as to what they can testify to, so as to determine whether they should be called.

I assume that he could not get any, because he did not produce any.

I think it likely that these hearings will go on for a month or two, but it is highly important at this time to get hold of good witnesses or to get memoranda of testimony.

Mr. Emery is trying in this manner to get witnesses, and is asking for witnesses to substantiate things which he and his organization have been charging for the last eight months, and I think the fact that he has not produced a single witness is somewhat significant.

The CHAIRMAN. Now, gentlemen, that concludes these hearings, so far as I know. We have been a long time on these hearings and the matter brought out here has been both instructive and interesting. I believe we have been able to bring out the points we desire relative to the question of whether we shall establish this bureau as a bureau in the Department of Labor. Before closing, however, I wish personally to thank the Members for coming and attending the hearings so faithfully, and whatever the result may be, we hope it will be such as will meet with general approval.

Now, gentlemen of the committee, what is your further pleasure?

Mr. ATKINSON (representing National Association of Manufacturers). Mr. Chairman, I wish to state that Mr. Emery has been called to New York, and before leaving he said that if the committee wished to hear from him for 15 or 20 minutes he would be glad to come back and could be called by telegraphic message. However, I have attended this hearing pretty regularly, and it does not seem to me that it is necessary for him to return. I think he contemplates filing a brief for incorporation in the record.

The CHAIRMAN. Let me say in reference to the letter written by him and introduced by Mr. Densmore that I received a letter of

similar wording in a circular letter dated July 17, 1919, from the National Founders' Association. We should be glad to have Mr. Emery file such supplemental statement as he desires, or we shall be glad to have a brief from him.

Mr. CASEY. I move that the hearings be closed and that the committee do now adjourn.

Mr. HENRY STERLING (representing American Federation of Labor). There were certain questions asked of Mr. Morrison by some member of the joint committee, and he promised to submit, if possible, figures showing difference in the rates of wages between 1914 and 1919. For 1918 and 1919 all the figures it was possible to secure are fragmentary and incomplete and are not suited for tabulation for proper comparison. However, there is submitted on behalf of Mr. Morrison a table abstracted from Bulletin No. 245, United States Bureau of Statistics, giving an interesting comparison of the advances in wages and advances in cost of living. These figures date from 1907 to 1917. I regret the impossibility of furnishing the committee with exact figures up to date, but it is to be presumed that the increases have continued since 1917 relatively in about the same proportion as in the previous years, but that both increases have been greatly accelerated.

I respectfully submit the following table:

INCREASE IN RATES OF WAGES AND IN RETAIL PRICES OF FOOD BETWEEN 1907 AND 1917.

Atlanta: Weekly rates of wages increase 23 per cent; retail prices of food increased 77 per cent.

Baltimore: Weekly rates of wages increased 17 per cent; retail prices of food increased 87 per cent.

Boston: Weekly rates of wages increase 25 per cent; retail prices of food increased 69 per cent.

Chicago: Weekly rates of wages increased 27 per cent; retail prices of food increased 81 per cent.

Cincinnati: Weekly rates of wages increased 28 per cent; retail prices of food increased 84 per cent.

Denver: Weekly rates of wages increased 25 per cent; retail prices of food increased 66 per cent.

New Orleans: Weekly rates of wages increased 8 per cent; retail prices of food increased 85 per cent.

New York: Weekly rates of wages increased 17 per cent; retail price of food increased 73 per cent.

Philadelphia: Weekly rates of wages increased 26 per cent; retail prices of food increased 69 per cent.

Pittsburgh: Weekly rates of wages increased 38 per cent; retail prices of food increased 78 per cent.

St. Louis: Weekly rates of wages increased 23 per cent; retail prices of food increased 94 per cent.

San Francisco: Weekly rates of wages increased 9 per cent; retail prices of food increased 46 per cent.

Seattle: Weekly rates of wages increased 9 per cent; retail prices of food increased 59 per cent.

Mr. STERLING. There were some other questions asked of Mr. Morrison and he asked that he be allowed to return answers in writing.

Mr. CASEY. He has the right to file such supplemental statement as he may desire.

STATEMENT OF FRED C. CROXTON, FORMERLY FEDERAL DIRECTOR OF EMPLOYMENT OF OHIO.

Mr. CROXTON. I was present at the joint hearings of the Committee on Education and Labor, United States Senate and Committee on Labor, House of Representatives, on the necessity for National Employment System on June 24, 1919. In the course of my testimony I promised to furnish certain information which I submit herewith. A complete list of officers and employees of the United States Employment Service, State of Ohio, at the close of business October 31, 1918, referred to an page 289 of the minutes of June 24.

(The list above referred to is printed in full in the record, as follows:)

Name.	Title.	Salary.	Official station.
Moses F. Bollinger.....	Junior clerk.....	\$1,200	Akron.
W. S. Jenkins.....	Examiner.....	500	Do.
D. V. Joseph.....	Junior clerk.....	1,440	Do.
Everett J. Lampson.....	do.....	1,200	Do.
Austin A. Beery.....	do.....	1,200	Do.
Clarence V. Martin.....	Superintendent.....	1,500	Ashtabula.
Emory N. Tilton.....	Junior examiner.....	1,200	Do.
Clement Leslie Gaskins.....	Examiner.....	1,500	Barberton.
A. J. Sherlock.....	Senior examiner.....	1,860	Canton.
Harry E. Gentry.....	Junior examiner.....	1,200	Do.
Karlina Brown.....	Junior clerk.....	900	Cincinnati.
R. J. Freisens.....	Senior examiner.....	1,860	Do.
Martin Herron.....	Examiner.....	1,080	Do.
James A. McCaffrey.....	do.....	1,500	Do.
Dorothy K. Minster.....	Under clerk.....	900	Do.
Robert E. Rice.....	Examiner.....	510	Do.
Stella A. Shear.....	Junior clerk.....	1,200	Do.
Agnes Westerlund.....	Under clerk.....	900	Do.
Otto Koph.....	Junior clerk.....	1,200	Do.
Arthur W. Purdin.....	Janitor.....	480	Do.
Fred B. Bilts.....	Junior examiner.....	1,200	Do.
Theodore Maier.....	Junior clerk.....	1,200	Do.
Harold C. Grant.....	Superintendent.....	1,620	Chillicothe.
Sam Aranyos.....	Examiner.....	1,500	Cleveland.
C. F. Arndt.....	do.....	360	Do.
Helen Atwood.....	Under clerk.....	1,080	Do.
Florence Chapman.....	Senior examiner.....	1,740	Do.
Thomas J. Eaton.....	Junior examiner.....	1,200	Do.
Flora B. Gaddis.....	Junior clerk.....	1,380	Do.
Rachel S. Gallagher.....	Senior examiner.....	1,980	Do.
Wilma M. Griffin.....	Under clerk.....	1,000	Do.
C. W. Heaton.....	Junior clerk.....	1,380	Do.
William W. Kelchner.....	Clerk.....	1,500	Do.
Loretta Kirby.....	Junior clerk.....	1,200	Do.
Fred J. Lay.....	Chief clerk.....	1,860	Do.
William McAleer.....	Junior examiner.....	1,200	Do.
Mary McCarthy.....	do.....	1,380	Do.
F. B. Parrault.....	Clerk.....	1,500	Do.
J. H. Raudebush.....	Senior examiner.....	1,860	Do.
John W. Reynolds.....	District superintendent.....	3,500	Do.
A. E. Staton.....	Junior examiner.....	1,380	Do.
George E. Staten.....	Junior clerk.....	1,380	Do.
Agnes Stevenson.....	Junior examiner.....	1,200	Do.
Ada M. Tooth.....	Special agent.....	1,200	Do.
Marjorie Antionette Brown.....	Clerk.....	1,200	Do.
John F. Carter.....	Junior examiner.....	1,200	Do.
Erwin Newell.....	do.....	1,200	Do.
Lucy Park.....	do.....	1,380	Do.
Edward J. Sullivan.....	Clerk.....	1,500	Do.
Samuel C. Berman.....	do.....	1,500	Do.
Bertha Keffer.....	Junior examiner.....	1,380	Do.
Ralph M. Smith.....	Assistant superintendent.....	1,800	Do.
Miriam Wilson.....	Special agent.....	1,260	Do.
Eva Barton.....	Under clerk.....	1,080	Columbus, central office.
Kate Bumstead.....	Examiner.....	1,500	Do.
Margaret Crowley.....	Under clerk.....	1,080	Do.
James L. Finnegan.....	Janitor.....	450	Do.
W. H. Griggs.....	Chief clerk.....	1,980	Do.
Agnes M. Hogan.....	Under clerk.....	1,080	Do.
Herman Kehlmeier.....	do.....	840	Do.
Gertrude Lawrence.....	do.....	1,080	Do.

Name.	Title.	Salary.	Official station.
Clare L. Lewis.....	Examiner.....	\$1,620	Columbus, central office.
Clive G. McMillan.....	do.....	1,620	Do.
Wilbur F. Maxwell.....	Assistant superintendent	2,500	Do.
E. A. Meade.....	Chief supervisor.....	2,500	Do.
L. H. Merrick.....	Information secretary.....	1,980	Do.
H. F. Moyer.....	Chief clearance.....	2,180	Do.
Thomas H. Hugavin.....	Senior examiner.....	2,180	Do.
Cecil Ott.....	Under clerk.....	900	Do.
L. Bernice Pinney.....	Junior clerk.....	1,200	Do.
Majorie Roth.....	Under clerk.....	1,080	Do.
Catherine Rowland.....	Clerk.....	840	Do.
W. F. Schwall.....	Senior examiner.....	1,880	Do.
Geneva I. Rinker.....	Under clerk.....	1,080	Do.
C. F. Toops.....	Senior examiner.....	1,980	Do.
Joe C. Williams.....	Examiner.....	1,740	Do.
Lena N. Finch.....	Under clerk.....	900	Do.
Maude Flee.....	do.....	980	Do.
Carrie E. Bowlby.....	do.....	1,000	Do.
Charles Richardson.....	Junior clerk.....	1,380	Do.
Clyde W. Gabriel.....	do.....	1,200	Columbus, local office.
W. F. Hauck.....	Examiner.....	350	Do.
Ruth Beatrice Kuensell.....	Junior clerk.....	1,200	Do.
Harry Stanley Lewis.....	Examiner.....	1,500	Do.
L. E. Sullivan.....	Junior examiner.....	1,200	Do.
Lydia Tinker.....	Junior clerk.....	1,200	Do.
Isabel Walter.....	Under clerk.....	1,000	Do.
Walter A. Yoerger.....	Junior clerk.....	1,380	Do.
Clement D. Fahl.....	Junior examiner.....	1,200	Do.
S. H. Walker.....	do.....	1,080	Do.
Lurene Gillilan.....	Under clerk.....	900	Do.
Dolores M. McGraw.....	do.....	840	Do.
Ruth M. Orr.....	do.....	900	Do.
May F. Rhineberg.....	do.....	980	Do.
Harry G. Startzman.....	Examiner.....	1,500	Do.
George S. Caton.....	Superintendent.....	1,500	Coshocton.
Timothy McDonald.....	Junior examiner.....	1,200	Dayton.
Lemuel Earl Nysewander.....	Senior examiner.....	1,980	Do.
W. D. Owsley.....	Junior examiner.....	1,200	Do.
Caroline Hendershot.....	Examiner.....	1,800	Do.
Samuel R. Horner.....	do.....	1,500	Do.
F. A. Cooper.....	Junior examiner.....	1,200	Findlay.
Marguerite Koehler.....	Under clerk.....	900	Hamilton.
Marion Antrim.....	do.....	720	Do.
J. O. Moore.....	Junior clerk.....	1,200	Lima.
C. E. Shetler.....	Examiner.....	1,740	Do.
Ralph W. Gehman.....	Junior examiner.....	1,200	Do.
George I. Cooper.....	Superintendent.....	1,500	Lorain.
William Kline.....	Junior examiner.....	1,200	Do.
James M. Ottinger.....	Examiner.....	1,620	Mansfield.
Charles W. Coffman.....	do.....	1,500	Marietta.
Fred B. Scherff.....	do.....	1,620	Marion.
Olive Monnette Bush.....	Junior examiner.....	1,200	Do.
Harry M. Graham.....	Examiner.....	1,500	Niles.
Chester E. Stewart.....	Junior examiner.....	1,200	Do.
William Schroeder.....	Superintendent.....	1,500	Newark.
W. R. McKnight.....	Examiner.....	1,620	Portsmouth.
F. I. Heberling.....	Junior clerk.....	1,200	Do.
S. D. Burford.....	Examiner.....	1,500	Sandusky.
H. D. Brydon.....	do.....	1,200	Springfield.
T. J. Creager.....	do.....	1,740	Do.
D. P. Rodgers.....	Senior examiner.....	1,860	Do.
Leroy H. Ault.....	do.....	1,860	Steubenville.
Will C. Blue.....	Junior examiner.....	1,200	Do.
Paul Long.....	Examiner.....	1,620	Do.
John Welsnauer.....	do.....	1,500	Tiffin.
Tony Brechak.....	Junior examiner.....	1,200	Toledo.
George F. Reiser.....	Senior examiner.....	1,980	Do.
Clyde U. Smith.....	Junior clerk.....	1,440	Do.
C. Edgar West.....	do.....	1,200	Do.
Earl Landy Smith.....	Examiner.....	1,500	Do.
C. J. Beams.....	do.....	1,500	Washington Courthouse.
Algie R. Dakin.....	Junior examiner.....	1,200	Warren.
Joseph W. Whitehouse.....	Examiner.....	1,500	Do.
Raymond T. Thomas.....	do.....	1,600	Youngstown.
H. R. Weller.....	do.....	500	Do.
S. M. Raymond.....	Junior examiner.....	1,200	Do.
C. G. Roll.....	Examiner.....	1,500	Zanesville.

Mr. CROXTON. This list does not contain the name of C. H. Mayhugh, mentioned on page 289 of the minutes, for the reason that at this time he was temporarily assigned to the administrative office at Washington and was carried on the Washington pay roll. I desire to call your attention to the second page of this list, upon which appears the name of John W. Reynolds, district superintendent, Cleveland, Ohio, at \$3,500 per annum. Mr. Reynolds was district superintendent for Ohio and West Virginia, and represented the administrative offices at Washington; he was not a part of the Ohio employment service.

Next I file a table showing employees and monthly expenses of each office and by whom such expense was assumed for the month of November, 1918. Reference to this is found on page 289 of the minutes.

(The table above referred to is printed in full in the record, as follows:)

Ohio public employment offices.—Employees and monthly expense of each office and by whom assumed, month of November, 1918.

	City or county.				State council national defense.				State industrial commission.			
	Em- ployees.	Total salaries.	Other expense.	Total.	Em- ployees.	Total salaries.	Other expense.	Total.	Em- ployees.	Total salaries.	Other expense.	Total.
Akron.....	1	\$100.00		\$100.00					2	\$197.50	\$100.00	\$297.50
Barberton.....		50.00	\$50.00	100.00								
Bucyrus.....		75.00	75.00	150.00								
Canton.....		10.00	125.00	135.00	2	\$175.00	\$65.00	\$240.00				
Chillicothe.....		10.00	200.00	210.00	2	175.00	50.00	225.00				
Cincinnati.....	1	75.00		75.00	6	480.00	200.00	680.00	4	427.50	150.00	577.50
2210 Spring Grove Avenue 1												
Appleton and Madison Road 1												
107-109 Carthage Pike 1												
Cleveland: City hall.....	5	360.00	1,300.00	1,660.00	8	538.00	350.00	888.00	7	620.83	150.00	770.83
240 West Superior Avenue.....												
933-967 East One hundred and fifty-second Street.....												
6204 St. Clair 1												
8811 Broadway 1												
3180 West Twenty-fifth Street 1												
6572 Lorain 1												
Columbus: Central office.....					8	580.00	150.00	730.00				
Local office.....	2	200.00		200.00	2	135.00	175.00	310.00	5	402.50	100.00	502.50
Commercial Labor Board.....												
Dayton.....	1	75.00		75.00	5	425.00	150.00	575.00	2	200.00	100.00	300.00
Findlay.....		50.00		50.00								
Hamilton.....		166.00		166.00	1	100.00	50.00	150.00				
Fronton 1												
Lima.....		150.00		150.00								
Lorain.....		75.00		75.00								
Mansfield.....		125.00		125.00	1	100.00	50.00	150.00				
Marietta.....		50.00		50.00	1	60.00	50.00	110.00				
Marion.....		50.00		50.00	1	75.00	75.00	150.00				
Massillon.....		60.00		60.00								
Portsmouth.....												
St. Marys 1		70.00		70.00								
Sandusky.....		125.00		125.00	1	65.00	45.00	110.00				
Springfield.....		145.00		145.00	1	100.00	50.00	150.00				
Steubenville.....		85.00		85.00	1	75.00	50.00	125.00				
Tiffin.....		250.00		250.00	3	260.00	75.00	335.00	3	250.00	76.00	325.00
Toledo.....	2	150.00		150.00	1	60.00	50.00	110.00				
Washington Courthouse.....		65.00		65.00	2	200.00	75.00	275.00	2	208.33	50.00	258.33
Yonawantown.....	1	75.00		75.00	1	60.00	50.00	110.00				
Zanesville.....												
Total.....	11	855.00	3,666.00	4,521.00	47	3,653.00	1,970.00	5,623.00	25	2,296.66	725.00	3,021.66

1 Leases secured but offices never opened, due to signing of armistice.

NATIONAL EMPLOYMENT SYSTEM.

	United States Employment Service.			Total.				
	Em- ployees.	Total salaries.	Other expense.	Total.	Em- ployees.	Total salaries.	Other expense.	Total.
Akron.....	5	\$536.66	\$340.00	\$876.66	8	\$824.16	\$440.00	\$1,264.16
Alliance.....	2	225.00	87.00	312.00	2	225.00	87.00	312.00
Ashabula.....	2	225.00	65.00	290.00	2	225.00	65.00	290.00
Barberton.....	2	225.00	40.00	265.00	2	225.00	90.00	315.00
Bucyrus.....	2	225.00	.....	225.00	2	225.00	75.00	300.00
Canon.....	3	375.00	35.00	410.00	5	560.00	225.00	785.00
Chillicothe.....	1	135.00	40.00	175.00	3	320.00	290.00	610.00
Cincinnati: Seventh and Elm Streets.....	16	1,320.84	520.00	1,840.84	27	2,303.34	870.00	3,173.34
2210 Spring Grove Avenue ¹		35.41	35.41	70.82			35.41	70.82
Appleton and Madison Road ¹		50.00	50.00	100.00			50.00	100.00
Cleveland: City hall.....		55.00	55.00	110.00			55.00	110.00
240 West Superior Avenue.....	30	3,355.02	50.00	3,405.02	50	4,873.85	1,850.00	6,723.85
933-937 East One hundred and fifty-second Street.....	3	350.00	225.00	575.00	3	350.00	225.00	575.00
6204 St. Clair ¹	2	225.00	110.00	335.00	2	225.00	110.00	335.00
8811 Quincy ¹		75.00	75.00	150.00			75.00	150.00
5815 Broadway ¹		55.00	55.00	110.00			55.00	110.00
3180 West Twenty-fifth Street ¹		70.00	70.00	140.00			70.00	140.00
6502 Lorain ¹		55.00	55.00	110.00			55.00	110.00
Columbus: Central office.....	37	4,737.52	2,000.00	6,737.52	45	5,317.52	2,150.00	7,467.52
Local office.....	15	1,727.50	110.00	1,837.50	22	2,265.00	585.00	2,850.00
Commercial Labor Board.....	1	90.00	38.00	128.00	1	90.00	38.00	128.00
Coshocton.....	2	225.00	87.00	312.00	2	225.00	87.00	312.00
Dayton.....	9	1,225.00	450.00	1,675.00	17	1,925.00	700.00	2,625.00
Defiance.....		25.00	25.00	50.00			25.00	50.00
East Liverpool.....	2	225.00	90.00	315.00	2	225.00	90.00	315.00
Findlay.....	2	175.00	30.00	205.00	2	175.00	90.00	265.00
Hamilton.....	2	135.00	25.00	160.00	3	285.00	241.00	476.00
Ironton ¹		30.00	30.00	60.00			30.00	60.00
Lima.....	4	345.00	35.00	380.00	4	345.00	275.00	620.00
Lorain.....	3	300.00	35.00	335.00	3	300.00	120.00	420.00
Mansfield.....	1	135.00	35.00	170.00	2	235.00	210.00	445.00
Marquette.....	1	125.00	25.00	150.00	2	185.00	125.00	310.00
Marion.....	2	235.00	75.00	310.00	3	310.00	200.00	510.00
Massillon.....	2	235.00	25.00	260.00	2	235.00	85.00	320.00
Martins Ferry.....	2	275.00	75.00	350.00	2	235.00	75.00	310.00
Middletown.....	2	125.00	75.00	200.00	2	125.00	75.00	200.00
Newark.....	2	225.00	70.00	295.00	2	225.00	70.00	295.00
Paris.....	2	225.00	60.00	285.00	2	225.00	50.00	275.00

Piqua.....	2	190.00	50.00	240.00	2	100.00	50.00	240.00
Portsmouth.....	3	310.00	90.00	400.00	3	310.00	150.00	460.00
St. Marys.....			25.00	25.00			25.00	25.00
Sandusky.....	1	125.00	25.00	150.00	2	140.00	140.00	280.00
Springfield.....	2	215.00	30.00	245.00	3	315.00	205.00	520.00
Steubenville.....	3	315.34	35.00	350.34	3	315.34	205.00	520.34
Tiffin.....	1	125.00	25.00	150.00	2	140.00	140.00	280.00
Toledo.....	4	445.00	125.00	570.00	12	1,095.00	525.00	1,620.00
Warren.....	2	225.00	95.00	320.00	2	155.00	140.00	295.00
Washington Courthouse.....	1	125.00	25.00	150.00	2	155.00	140.00	295.00
Youngstown.....	1	265.66	100.00	365.66	5	749.99	400.00	1,149.99
Zanesville.....	1	125.00	30.00	155.00	2	185.00	155.00	340.00
Total.....	180	20,422.54	6,007.41	26,429.95	292	27,227.70	12,368.41	39,596.61

1 Leases secured by offices never opened, due to signing of armistice.

Mr. CROXTON. Next is a summary of the total expenditures from Federal funds for operating the United States Employment Service in Ohio for the month of October, 1918, as referred to on page 290 of the minutes.

(The summary above referred to is printed in full in the record, as follows:)

Summary of the total expenditures from Federal funds for operation of the United States Employment Service in Ohio for October, 1918.

Salary.....	\$12,857.89
Rent.....	1,918.31
Telephones.....	725.94
Heat and light.....	70.60
Equipment.....	3,700.06
Travel.....	1,987.86
Stationery.....	144.85
Printing.....	275.75
Miscellaneous.....	31.28

Grand total..... 21,712.54

Mr. CROXTON. The statement of expenditures of Ohio branch Council of National Defense for maintenance of public employment offices in Ohio, as mentioned on page 295 in the minutes, is filed herewith.

(The statement of expenditures above referred to is printed in full in the record, as follows:)

Expenditures by Ohio branch, Council of National Defense, for maintenance of public employment offices in Ohio.

	Total.	Salaries.	Wages.	Office supplies.	Office equip- ment.	Transpor- tation.	Communi- cation.	General plant service.
May 1, 1917, to Dec. 31, 1917.....	\$83,787.75	\$50,535.96	\$1,053.11	\$3,883.95	\$122.35	\$10,580.79	\$2,504.77	\$15,106.82
Jan. 1, 1918, to Dec. 31, 1918.....	72,592.81	53,522.01	586.41	804.96	113.03	3,538.94	2,617.32	11,410.14
Grand total..	156,380.56	104,057.97	1,639.52	4,688.91	235.38	14,119.73	5,122.09	26,516.96

¹ \$1,843.54 of this amount was for postage.

Item "General plant service" includes advertising, printing, renting of typewriters, painting of signs, postage, and other miscellaneous expense.

"Transportation" high in 1917 due to the fact that the offices were in the process of organization.

Mr. CROXTON. Next I file a statement showing the cost of operation of the Teachers' Bureau, Ohio Branch, Council of National Defense from June 1, 1918, to December 31, 1918, as referred to on page 304.

(The statement above referred to is printed in full in the record as follows:)

Cost of Teachers' Bureau, Ohio Branch Council of National Defense.

[From June 1, 1918, to Dec. 31, 1918.]

Salaries:	
Mr. Meade (proportionate).....	\$300.00
Miss Davis (July 22 to Dec. 31, 1918).....	656.00
Postage.....	100.00
Printing.....	150.00
Rental, 5 months (proportionate; 210 square feet out of 3,886 square feet one-half proportionate).....	35.00
Telegraph and telephone messages.....	20.00
Furniture, telephones (one-half of 2) 5 months, letter files, etc.....	110.65
Total cost of running office.....	1,371.65
Total salaries of teachers placed.....	\$315,907.50
Total commission at 5 per cent of salaries.....	15,795.375
Total registration fee at \$1 for 1,002 registrations.....	1,002.000
Total income on private agency basis.....	16,797.375
Total cost of running office to Jan. 1, 1919.....	1,371.65
Net profit of running on regular fee basis.....	15,425.725
Average salary of teacher placed per year.....	865.50
Cost per placement (total number 365).....	3.76
Cost per applicant (total number 1,002).....	1.37

Report teachers' division.

Date.	Registra- tions.	Calls.	Referred.	Placed.
1918.				
June 1-July 1.....	402	387	100	.....
July 1-Aug. 1.....	199	152	403	40
Aug. 1-Sept. 1.....	114	346	610	146
Sept. 1-Oct. 1.....	150	183	416	116
Oct. 1-Nov. 1.....	42	55	151	36
Nov. 1-Dec. 1.....	27	20	52	10
Dec. 1-Jan. 1.....	59	77	214	17
Total, June 1 to Dec. 31, 1918, inclusive.....	1,002	1,220	1,946	365
Total, June 1, 1918, to Jan. 1, 1919.....	1,002	1,220	1,946	365
1919.				
Jan. 1-Feb. 1.....	96	24	145	19
Feb. 1-Mar. 1.....	118	37	113	20
Total to Mar. 1, 1919.....	1,216	1,281	2,204	404
Total, Jan. 1 to Mar. 1.....	1,216	1,281	2,204	404
From Mar. 1 to Apr. 1.....	144	33	79	9
From Apr. 1 to May 1.....	128	81	172	6
From May 1 to June 1.....	114	195	289	6
From June 1 to June 20.....	74	72	341	7
Total to June 20.....	1,676	1,662	3,085	432

Mr. CROXTON. I now submit the summary of the total expenditures of Federal funds for operation of the United States Employment Service for Ohio from July 6, 1918, to December 31, 1918, referred to on page 305 of the minutes.

(The summary above referred to is printed in full in the record, as follows:)

Summary of the total expenditures from Federal funds for operation of the United States Employment Service in Ohio from July 16, 1918, to Dec. 31, 1918, inclusive.

Salary -----	\$66,934.91
Rent -----	9,945.47
Telephones -----	3,729.31
Heat and light -----	640.58
Equipment (furniture, signs, and alterations) -----	16,143.22
Travel -----	7,686.93
Stationery and office supplies -----	846.67
Printing -----	1,221.55
Miscellaneous -----	228.54
Total -----	107,357.18

The CHAIRMAN. The motion is made and seconded that the committee do now adjourn.

(The motion was duly carried, and at 12.20 o'clock p. m. the committee adjourned.)

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